THE MENACE OF JAPAN

FREDERICK McCORMICK

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BY

FREDERICK McCORMICK

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FOREWORD

MANY historical facts are common property but owe their preservation and value to writers who never received their reward. In living sixteen years with events and dates underlying this book, I have lost the respective identities of some of their recorders. But I am glad that I remember them in their anonymous being, with gratitude.

Many things contained herein, so far as I know, have had no other chronicler than I. They cannot be publicly ascribed to their sources, many of which are official and confidential: they touch too closely living issues animating and breeding war. Many are simply extracts from my own journals and private records. All are confidently submitted to the public in the day's work in connection with America in the Pacific — "the greatest problem in the world."

In saying farewell to the following pages ere they are beyond recall in the printed book, I take pleasure in thanking American editors and in particular those of *Century*, *Scribner's*, *Outlook*, the *New York Times*, and the *Forum*, for the intense interest they have taken

in the phases of the theme, as I have seen it, that "will be finally determined by war", and their courteous permission to reproduce certain passages herein.

FREDERICK McCORMICK.

SANTA MONICA,
December 1, 1916.

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THE MENACE OF JAPAN

CHAPTER I

"Predatory Packs"

Sufficient time has elapsed since Japan's plans for leadership in East Asia and the Pacific were uncovered, and enough water has run under the bridge, to allow of a glance at the back of the stage, a look at the levers and cogs, the cranks, pulleys, rods, and wires of the mechanism called the problem of the Pacific.

That problem for America is rising from old battlegrounds, and is covered with the débris of our vivid and bitterly remembered first conflict with Japan — that following Japan's reckoning with Russia.

Our attempt to set up our rights of the Open Door, 1908–1910, was of greater consequence in the Pacific than Japan's war upon Germany which succeeded it there in 1914. In duration its struggle was longer than was Russia's pass at arms which preceded it; and though confined to diplomacy its revelations and consequences make it the most important event to us since we hung the ermine curtain of the Portsmouth Treaty across the battlefields of two empires and the China Sea. For out of that first conflict emerged the

trunk and limbs of a second, which in less than three years paralyzed the political and diplomatic service of the United States in East Asia and showed in its lineaments a resemblance which can be likened only to that of Mars.

Owing to the collapse of our Government and political institutions in Pacific affairs, the diplomatic post at Tokio which McKinley, Roosevelt, Taft, and many others found to be the most important to us in the world, has been vacant, so far as diplomacy and constructive relations are concerned, since 1906. The post at Peking, since it was filled by Rockhill, has been one of fruitless humiliation and trial to successors under the insults applied to us there by nations who discount our national policies and resent our diplomatic practices, while Congress, sensibly breaking down under the Philippines question, in 1915 reached a state of collapse, showing we had practically thrown up the sponge throughout the Pacific.

The diplomatic missions to Japan and China therefore became a menace as they were a weakness in our Pacific front. The situation of the United States in foreign affairs was shameful. The Government, in the Pacific, flung away its merchant marine which begged among rivals for a buyer, finding a billet at last only in the Atlantic by chance through the providential (!) existence of a war trade. The wrenching and deadening power of that blow, delivered through a single shipping bill, — the LaFollette-Furuseth Seaman's Act, — may be understood from this fact: that the Pacific Mail Steamship Company which was our only America-to-Asia line, first tried to save its world-wide organization and trade by transfer to Vancouver, — a plan abandoned by the owners through fear that

the Government would persecute them afterward for seeking protection from a foreign flag, — and then in Wall Street hawked its fleet of Pacific liners, which in one month in the munitions trade paid for their purchase, first for six and one half millions, then six, then five and one half, then five and one quarter — "and sold."

The Pacific was not only at a blow cleared of merchant marine transports and of shipping communications with our Pacific outposts and the Asiatic seaboard, but the war drained it of war vessels, the Panama Canal filled up at Culebra, and we had only a mosquito squadron in the Pacific as a military side show of the San Diego Exposition. At the instant we had to pay four times the normal freight rates to get our latest coast defense guns to Honolulu, and had no bottoms for munitions beyond Honolulu to supplement the navy and succor the outlying possessions of Guam and the Philippines.

The administration at Washington was then struck by the European war-storm as with its hurricane legislation it had come down upon our merchant marine. And it is conjuring up but a tame simile to say that the American ship of state trembled and reeled under its working.

The Government which was to deal with the greatest foreign questions and ulterior dangers in history, or perhaps since the ravages of the Mongols, was found out to be one of the most provincial we ever had: cut to fit its narrow congressional habit of domestic politics, whose parish tailors had taken no account of necessary international movement and diplomatic expansion, to say nothing of the heroic action of government, indispensable to honor and national safety which

it never was able to essay. Although the outrages to American rights in this crisis were admittedly unparalleled in all the relations of friendly or hostile nations, the Government, like the nation, limped on with its domestic squabbles while being periodically stunned from the direction of our left flank on the alien Pacific, by the mysterious chaos of guerilla revolution in Mexico, and seemingly dazed by a hundred incomprehensible events hostile to our rights and interests in the Pacific area.

The very first act of the Government in its new policy, as I will show, was to erase the Pacific from its administrative map. Its attitude toward the world without, which like a volcano or a tidal wave was ready to envelop all nations with sulphur and suffocation, and its concept of national interests beyond the three-mile limit, was disclosed. The plans of the party leaders of the administration in charge of the government, for a four years' program exclusively of home issues and home politics, on which to stand or fall at the next election, could not be concealed. On the contrary it was shortly confirmed by the conduct of the affairs of the Atlantic which were of too dangerous a nature to be cleared from the council table, or erased from the administration blackboard by figures of rhetoric such as I have quoted, and which it was found the administration had made no provisions to handle. As the sinister cloud of world complications, unprepared for, uncomprehended, and unimagined, rolled in upon the Capital, the Cabinet began to dissolve. It had not contemplated the world. It had not thought of sanguinary things. The Secretaryship of State — the office of offices — was abandoned. John Bassett Moore, best known in the world of

our authorities on international relations, resigned. William J. Bryan resigned. After eighteen months, Hell had flamed out in the Atlantic, long to dazzle the volunteer political firemen of the cabinet-room in the White House, and in the committee-rooms on Capitol Hill, to the complete screening away and exclusion of the Pacific.

It requires no imagination to see with what terror such a government, under these circumstances, was struck at the spectacle of Japan, better armed, again abroad on the Pacific warpath. Speaking through the State Department it demanded:

"What would you have us do? Do you want us humiliated by what will happen to us if we protest in China and the Pacific?"

Our failure in foreign affairs was complete. Everybody seemed to be for himself. *Sauve qui peut* defined our diplomatic situation: the administration for itself; trade, ships, and even national defense, for themselves. One of our ablest admirals, Fiske, resigned and then the strongest member of the Cabinet, Garrison, the Secretary of War, resigned. The American sponge seemed to hit the ceiling of the world's international habitation when one chamber of Congress passed a bill for abandoning the Philippines. The *débacle* seemed ready to complete itself when, fortunately, the approach of the presidential campaign, combined with the lurid lessons of the World War as exemplified by Germany in the Atlantic, and by Japan in East Asia and the Pacific, seemed to restore to the nation a degree of sanity that had been absent since 1910.

The prevailing administration was disillusioned, but cowed by the effect of the European War upon the Atlantic and Pacific alike, by Japan's rearrangement

of East Asia to broader foundations for her Pacific policy, and by the shift which she was making. The Pacific, dreaded and tabooed in Washington, reached the status of the next great world issue. Events there that had moved farther since the Portsmouth Treaty than for twenty centuries before, made China one of the great issues of the World War. She was slated, along with the United States, as one of the two greatest storehouses of natural resources and treasuries of wealth, to pay the war debts of Europe.

When the pressure for armament and defense came, the questions of the Pacific, unobserved, had gathered like the wolves of the Russian steppes and were licking the heels of truce in the Atlantic. They were waiting upon the shores of the whole Pacific for their sponsors, the Asiatic and European nations of the World War, to follow them, and help them to their quarry.

Now came the presidential campaign. It was a confirmation of the lurking danger of our collective stupefaction and national self-gratification over our place in a world of fire and brimstone. And it turned out to be a relapse from our belated awakening, and a revelation of the state of thought with which we must meet the question of the Pacific. Among great issues existing to inspire hope and fear for the future of the United States, as authoritatively expressed for the people by their leaders in carrying on the succession to the presidency, those of the Pacific were excluded. From the opening of the campaign by Elihu Root early in the year, the Pacific, as a prospect before the Great Republic, ever turning westward, was ignored as by common consent. Limned from the Pacific Slope, where is the acutest and most formidable race problem in the world, and where

our country on one entire front endures a perpetual outlook upon the theater of the future greatest world and national affairs, the wide horizon of party discussion nowhere touched the Pacific Ocean. Though heard within sound of its surf, a great address by Charles E. Hughes at Los Angeles, August 22, 1916, in opposition to the Government, by only two references derogatory of China indicated the slightest suspicion of consciousness among the opponents of the Government, of Asia at our door, or of the Pacific eighteen miles away: one when he said that after the World War we would have no friends among nations save China, and one when, in a passing phrase, he reckoned China negligible in the scale of large civilized nations. "There will emerge from that war," said he, "a new Europe which must be met by a new America" — and there stopped. Yet it is worth noting that in the Pacific, Mr. Hughes found the only friend in all the world which we would have after the World War — China.

Very nearly that time, behind closed doors in Congress, the senators from the Pacific Coast States were urging the necessity of dealing with the Japanese question so as to settle it for all time. A new Europe must be met, but it is not more inevitable than a new Asia. And our first meeting is with Asia. Any Congress which elects to settle the Japanese question is undertaking every kind of known and unknown problem of empire possible to six thousand miles of American frontier on alien peoples and civilizations and hostile nations, to say nothing of foreign parts. Though no question of our times, in importance, could vie with that of the contact of alien races and systems on the Pacific Slope and in the whole Pacific area, the ostensible spokesmen of awakened America could not once

mention Japan, Asia, or the unmatched Pacific. The opponent of the Government also dare not whistle, in the Pacific, dogs that sleeplessly rove and scour the lands and waters of the Pacific area in the interests of Asia and the Allied Powers.

These lights are not only beacons of current national life and sense, in the United States. They define what obviously will be the national policy at least until 1921, and what will be the thought generally of the people of the United States for a considerable time to come; when attention shall have to be directed by foreign force to the country's international situation in the region of its great frontier on an alien and hostile world, the Pacific, and at a time when the greatest international and diplomatic questions ever faced must be met by the United States. "Predatory nations, like predatory animals," said Senator Chamberlain, "travel in packs." The marine and the submarine motor testify that they travel far. They have reached the Pacific, in packs, and the same enginery with which they remold Europe and the Atlantic will be exerted in the recasting of East Asia and the Pacific. And it will follow the work already begun by Japan. The question for us is whether the predatory packs of Europe and Asia are not already upon our backs.

Predatory nations reached East Asia a long time ago. But they came "traveling in packs" only in 1900, when Germany reached China to be their leader, to "assume command of the punitive and clearing operations" of the allied powers. Then the Prussian war machine came, with Emperor William's command, to make the German name a terror to the Chinese for ages to come. China was made the scene of Europe's retaliation upon Asia, as Europe had been the scene

of the scourging which Asia gave Europe in the Mongol overflow. In other words, Europe was to thrust Asia in upon itself, throw it back from the West, drive it into the eastward sea, over against the Pacific.

The 1900 pick of the Prussian military machine,—ten thousand men, the hurled vengeance of the Kaiser, with Marshal Count Von Waldersee at their head, — arrived at Tientsin from Europe in September. The interregnum between the raising of the Siege of the Legations, August 14, and Von Waldersee's arrival, was described by the historians of the great German East Asiatic Expedition as one of supreme doubt and chaos among the foreign military forces and residents, some of whom recommended going into winter quarters behind barricades "in the Forbidden City." The modern German Army that is mainly fighting the World War then had its great opportunity, its first and only military try-out, before beginning the assault on Europe.

Von Waldersee established headquarters in Peking, in the *Hsi Yuan* or Western Park, in the Empress Grand Dowager's "Winter Palace" — the spot where, in a subsequent modern building, Yuan Shih-k'ai, the President of China, died. Here an agreement was drawn up with Li Hung-chang, the refugee Chinese Court's vice-regent, that Chihli province lying within the Great Wall on the north, the sea on the east, Shantung on the south, and Shansi on the west, should be given over to the control and policing of the allied powers. With their coöperation or acquiescence this region was apportioned to the various foreign military contingents, "but owing to the withdrawal, in October, of most of the Russian forces, half the Japanese, and all the American, combined with the decision of the British to assume a passive rôle in the subsequent

operations, it fell chiefly to the French and Germans to put this arrangement into effect."

The French in rapid movements relieved four important centers in South Chihli where foreigners and Christians were besieged and harassed by Boxers. Their work was highly important in its pacificatory results, the work of the Germans in its destructive effects. The appearance of the German forces, clothed in bulky gray-brown winter overcoats and seen in swiftly moving masses on the plains of Chihli, powerfully suggested the roving goat and sheepskin clad contingents of Genghis Khan which they were under orders to imitate.

From Peking, Von Waldersee sent an expedition northward under Count Yorck, assisted by Italians and small detachments of British Indian and Austrian troops. Going to Kalgan by the route of the present Chinese railway, it returned, bringing the body of Count Yorck, who had died at night from charcoal fumes emitted by a Chinese coal-ball stove. And in a fire which destroyed the "Winter Palace", in which Von Waldersee had his headquarters, the latter's Chief of Staff, General Schwartzhoff, one of the most promising officers of the Prussian Army, lost his life.

From "the angle of the Great Wall" north of Peking, southward, the Prussian punitive army of ten thousand, in ten principal drives upon Chinese camps, cleared Western Chihli of Chinese troops. It had made a secondary headquarters at the provincial capitol, Paoting-fu, after the withdrawal of the British and Italians, and in an agreement divided Western and Southern Chihli between themselves and the French. It made no distinction between Boxers and regular Chinese troops, against whom it executed a

uniform plan of campaign to make Germany remembered with terror, and so inflicted as much loss as possible upon all armed men alike.

The last drive of the great Prussian punitive expedition to East Asia was planned in coöperation with the French, in the latter's sphere in Chihli, where the French had come in conflict with bodies of Chinese troops. And there, thirteen years before Germany assaulted Europe, along a spur of the Great Wall, was enacted not only a destructive blow against the principal defense army of the Chinese throne, about forty thousand men under Liu Kuan-ts'ai, but a little dash on Paris, that set Frenchmen by the ears.

April, 1901, while the Congress of Peking sat in council on these things and waited, Stephen Pichon, later French Minister of Foreign Affairs, etc., etc., and much quoted by the world's press, having been a journalist, went back up Legation Street to his study, wrote out and handed to me a necessary and useful authorization to proceed to the French forces under General Bailloud, which were coöperating with the Germans.

We had a march of a hundred miles; transportation means were scarce, and I found myself afoot, first with the blue, then with the drab. Bailloud took the lower, ancient, Peking-Turkestan road, to occupy Kukuan Pass, while General Von Ketteler, with the German column, turned sharp west to take the nearer five small passes. The purpose of the expedition was simply to drive the remaining Chinese troops over the Chihli boundary into Shansi, with contributory German retribution.

At Ping-shan Von Ketteler learned that Bailloud had already reached Kukuan but that he would not

precipitate an attack before the Germans reached the passes farther north. But the Germans distrusted the French who had previously anticipated Von Waldersee and the German troops in getting to the provincial capital.

Seeing Von Ketteler was going to do something, and not being regularly attached to Bailloud, I joined the former. He had almost no transport, his column moved at a snail's pace, until close enough to Shansi to dash for the refugee Chinese Imperial Court's rear-guard forces.

The German forces split into five separate columns and dashed. Clearing the summits of the passes, after sharp fighting, the Germans marched over the débris of the Chinese defense on to the Shansi tableland.

At the last moment, in Peking, Pichon had secured sanction from Paris for cessation of French initiative in hostile action against the Chinese, and General Bailloud, on receipt of these orders, sent messengers to the Chinese at Kukuan asking them to withdraw. The Chinese returned insulting defiances, and the French were in a position to advance, when Von Ketteler's left, under Lieutenant-Colonel Von Wallmenich, leaving some scores of Chinese dead, its own dead and wounded, at Niang-tse-kuan, took Kukuan in the rear, and marching through on the other side, to Jukuan, Von Wallmenich appeared like an apparition, offering his troops to General Bailloud, whom he had not allowed time to come up! Bailloud thanked Von Wallmenich with a face which the Chinese said was "disgust-black!" It was *opera bouffe*, but it was *bouffe* in which Paris fell.

This affair marked the culmination of a heated international military discussion and rivalry during the

foreign occupation of North China and military domination of East Asia. It was the largest of the punitive expeditions in Chihli. The discussion of the relative merits of the international troops had as its chief contention the spirit of aggression, the endurance, and the mobility of the German military, which had come to East Asia without bringing means to transport itself on land. The British military, and the Russian and French, were as keen to German audacity and pretension as if the World War alliance had already been made. So were the Japanese. Their own and the British troops were as alert to the military points of the Russian cavalry as though the Russian-Japanese War and the campaign in Mesopotamia were mapped out. All the powers of the world were represented at Peking in a military conclave that influenced in a powerful way the events of the world since then. Only the Americans refused to coöperate under Prussian direction in this scourging of East Asia, and escaped the mesh of World War when it came.

Three years later the journalists and military attachés of 1900 met on the battlefields of Manchuria. The lessons of the Russian-Japanese War were discussed exclusively with reference to Europe. The "next war" was a proximate reality.

The Austrian was then, on our battlefields in Manchuria, called the most highly developed military organization in the world. The German was not discredited, only what respected it "went without saying." The Bulgars were ranked with the highest. Only Turkey was slighted — and merely by silence. France was at the pinnacle of efficiency but declining numerically. England couldn't gain.

It was a confirmation of the prophetic gathering of

the nations around the Pacific that the fate of Europe had its first full military discussion there, and because of it, in the war bureaus of Europe and the world. In the plain along the Chihli Gulf and the Sea of Japan the World War was proximately realized. Those countries that were to engage in it had their foremost General Staff experts with the Japanese and Russian armies. The Russian cavalry was a subject of the greatest German-Austrian interest. The ability of the Japanese to handle East Asia in future was not a keener question than the weight of Russia on the Austrian-German frontier in the decade to come.

At that time France had concluded the last details of her plan of defense against Germany — down to the question of the correspondents, and the press, which was to have no existence once war broke, as it had not, except as sanctioned by the censor and endowed with an ex-French life from the English allied armies sharing its soil.

No wonder Germany was so fiercely against England in the World War. France had made all final arrangements, as for the execution ground. The reason, often voiced, as Ludovic Neaudeau, *Redacteur du Journal* (Paris), told me in Manchuria, 1904, was that, so far as France was concerned, there would be but "this war." The unerring apprehension of the French and their temper was shown by the declaration that France must win or die; she could have no future if she lost: France was a country advanced in civilization and opposed by savages.

Pichon of Peking came later to Paris, and in a letter to a London newspaper told the English that the World War was "all the outcome of long and premeditated preparation. . . . The plan that is now

being carried out before our eyes was conceived long ago . . . it was understood we were to be overwhelmed under the weight of Germany's land army, equipped with artillery against which resistance would be impossible. It was equally arranged that our towns and villages should be blackmailed, looted, razed to the ground, and their inhabitants treated like noxious animals. It was understood that in no war, not even the Thirty Years' War, were human laws and conventions to be so completely set aside." That was exactly as in China. And the determining factors were drawn from the open military book of East Asia — the first time and the first occasion of the opening of the book of modern warfare.

One of the sequels to us of the events of this period in East Asia, and of the international affiliations which were the result of its affairs, and which directed the alliance that not only controlled the development of China but resisted the central powers, was that Pichon proposed to us an alliance with France and England to save free government, and the freedom of the world, from destruction.

CHAPTER II

War Loans

I give these reminiscences of the powers of Europe as they were manifest in East Asia the first five years of the modern military age, to show the importance of the affairs on our west to the largest and most powerful nations of the world, and those of to-day and to-morrow.

Frenchmen knew, as early as the first Franco-Russian Alliance and when President Loubet went to Russia, as attachés who accompanied him have told me, the fate held out to them — that when war broke out it would bring France's last chance, that she would be in the balance with the little countries. And they hurried to Manchuria and the Pacific in those years of revelation, to decipher the laws of fate.

East Asia under the code of arms, 1900–1905, furnished lessons to German military science which gave confidence to Germany's rulers and led them to divide the world between themselves and their friends.

The results brought about by the Prussian military system, as practiced by the Japanese Army, were hardly expressed in the form finally given them by the Portsmouth Treaty, when Germany's world politicians made a re-allotment of the territories of Europe and parts of Asia, Africa, and other regions of the earth. To this my German colleagues in Manchuria testified,

on the western shores of the Pacific, and in other parts of the world while its battles were being fought, or when their lessons were having their effect in Europe.

There have been numbers of informed Germans who have told the naked Prussian truth regarding Prussian designs upon civilization — Count Reventlow for instance, generally gagged in recent years, when crisis threatened. He was one of the most fruitful sources of the naked truth of which Germans showed themselves fearless, if not reckless. But to make free generally with the names of informed Prussian and German gentlemen, whose personal situations it is not possible to know and judge from the outside, would not be discreet or valorous. Those whom I quote were highly placed on earth at the time; some have gone down, and some have risen since. The years since 1905, not to say since August 1, 1914, have made a change in their world as well as that of the allies, and some of them are among those myriad wraiths who float between the worlds and find no rest. One now living or dead, who need not be named here, said:

"To dictate the future of Europe we must reach to Paris within thirty days from the moment of crossing the French border. This preparation is the difficulty; there will not be a moment's rest for us until the button is pressed for war, and the machinery set in motion. As we say in Germany: it is not until the button is pressed that we can relax. When it is, we can lie down and rest. The machinery will run itself once it starts."

There was the lesson of China and Manchuria, learned. I believe the same thing could be had from Austria, certainly from Russia, who adopted the Prussian military system which had proved so successful

among the Japanese immediately after her war with Japan.

Such international incidents as Captain DuMaurier's play, "An Englishman's Home", and the spy scares in England and Germany, show how fast "the war" was being hurried on after that. In 1905, by wintertime, the lessons of Manchuria were pretty well digested in Germany. And Germany had but one provision unsettled; it was the question of war correspondents. And the lesson of the Russian-Japanese War settled that. Germany's war correspondents in Manchuria, — all of them army men, naturally, — when consulted by the General Staff at Berlin, deprecated war correspondence in Germany when "the war" came. Thus, 1905. And the German General Staff followed closely the action of the French. Whereupon all was in readiness at Berlin, as well as at Paris. No, not all, for the preparation and the secrecy had to go on. But as much of the all was ready as ever can be got ready for any crisis.

In 1911 I was apprehended at midnight on the German frontier, for an English spy, by an officer who was looking for a man with whose description he had been furnished, and as I re-entered the railway carriage I laughed to myself at the unseemly haste with which Germany and the powers were arranging the arbitrament of Manchuria, for Europe. Germany was getting anxious over the general adoption of her military system and the realization that in the Prussianized Japanese she would have to fight Asia as well as Europe. At that time only Russia was laggard in preparation, — due to her war with Japan, — but not very much. They all were getting ready for the test.

Exactly when the open discussion by Germans of

their next dash to Paris began, just what year between 1870 and 1900, is not an essential fact. But since the lesson of Port Arthur it was a perfectly well-known "secret" among European military men and political students that Paris would not be reached in a month if at all by the flank hinged on the Alps, but could be reached by battering across the low countries on the flank hinging on the sea. The one cardinal principle of "the war" was the nonentity of small States. The resemblance to the campaign in Manchuria, where Japan flanked Russia from the plain hinging on the sea, in all the decisive operations, and the nonentity of Korea, is striking if only accidental.

Military and political journalists were very well informed on the approaching contest. One of the most notable open discussions of the Paris feature of "the war" is that by Hilaire Belloc, printed in an English review in 1912, at least two years in advance, which mapped the German route started on by General Otto Von Emmich who met his Waterloo at Liége. I say Waterloo, because that is what Germans say. Liége to Von Emmich and to Prussia, in the light of their own original plans, was a Waterloo. Had it been a naval operation it would have been called a Tsushima.

When war at last broke, I was sitting in the London office of the Associated Press, at 24 Old Jewry, the eyes and ears of the world. Soldiers marched up and sealed the outgoing cable traffic, standing guard until the censors' agents, as had those of Japan in East Asia, arrived and screwed up windows and doors and especially the mouths, minds, and fingers, of the telegraph service. As during the days and nights of watching, the war slowly broke over Europe, along

with ennui over British military and journalistic watchers, these men, in touch with the powers that be, in the actual presence of "the war" that was to change Europe as its predecessor had changed East Asia and the Pacific, and before it was twenty days old, placed the limit of it at not under three, and possibly not over twenty, years. It could not be as short as Manchuria, and though the military resilience of Europe was the greatest in the world, it was believed the world could not sustain a great war beyond two decades. And the press system worked out in Japan for France, Russia, Germany, Great Britain, Austria, and Italy, went into effect.

This was the conspiracy kept dark, which Germany was charged with harboring against civilization. It had been a long-contemplated, long-planned, long-feared, long-thought-out, and long-talked-out man-hunt, which on all sides is academically pronounced "an economic war", as was that in Manchuria. European States had a thousand years to learn to live together, and this was the result. They could unite to punish East Asia, where they went to learn their final lessons, but they could not live together, and they had shown that besides sharpening their tools in Chihli and Manchuria, they could quit in Europe and the Atlantic what they carried to East Asia and the Pacific, when they found a third party there to turn upon.

Europe, old and canny shrew, eats war, lives on it. She is so fat with frugality and efficiency, built up with her educational and vocational war organizations, that she can carry the sword into the ends of the earth, as shown in 1900 by the unprecedented China expeditions, and in 1904 by the ensemble of European arms on the Gulf of Chihli and the Japan Sea.

Europe loses nothing of her fighting strength, nor her wants. She growls over herself, spending decades in making up her mind whether to fight herself or others who can pay better. Japan armed and joined her as a precaution. She watched the World War brawl, trying to pick the winner. When she does, she will bring him and his friends to the Pacific. That is the policy of prudence and as much safety as is right to expect. We are trying to worry the beasts down while holding the stakes and making the winnings that always accrue to the third party and the outsider. It is quite clear what our situation is, and that is why, as one man, we rose to arm. We know it is the time to consider and prepare against being railroaded into the fight for armed truce between the two civilizations in the Pacific, such as has been in vogue between them in the Levant. It is the after effects, the contributory evils of war, that are the most to be feared, the most insidious, the least controllable, and against which there is no defense but 18-carat readiness. There is nothing standing between the plunderable world on the one hand and Europe and Japan on the other, except ourselves, and whatever happens, the first blow we receive will come in our weakest and most plunderable quarter, the Pacific.

The history of the situation in the Pacific could not be brought up to present times from generally known facts. The essential facts are the hidden property of the foreign bureaus of those powers who pull the strings of affairs in East Asia. The identity of those powers is obvious to all observers. The considerations on which they take the action which causes the periodical alarm over the situation in the Pacific and the sacrifice of the interests of weak nations or the nations themselves,

and the consequent embarrassments to the United States, which champions them, are not on the surface. I am going to undertake to uncover them.

What is evident from known history is that the so-called great question of the Pacific is that of the ultimate relation to exist between East Asia, especially China and Japan, and the West, especially countries of Western civilization in the Pacific. America's effort in this direction, inspired by the responsibilities of neighborhood and understood from the beginning, as seen in the continuous testimony of events, is shown in her oft-declared policy.

American policy in the Pacific can be understood from a consideration of American relations with East Asia, divided into the following periods: The Canton Period, — from the beginning to the date of first treaty relations in that region, 1844, — during which the United States recognized the absolute sovereignty of rule and the integrity of territory of all nations there; second, the Shanghai Period, beginning with the first treaty and the opening of treaty ports; third, the Metropolitan Period, representing the arrival of the envoys of the powers at the capitals of Japan, of China, and finally Korea, 1853 to 1882; fourth, the Manchurian Period, beginning 1894 and developing into, fifth, the Open Door Decade, beginning 1900. The year 1910 saw East Asia falling under the leadership and domination of Japan.

The Open Door Decade had three important events, which made it the crucial decade in the determination of the question of the ultimate relations between the East and the West in the Pacific. The first was the Boxer Uprising, the second the Russian-Japanese War, and the third the struggle of China to rise and throw

off the aggressions represented in the association of foreign allies, which, since the close of the Canton Period through the evolution of international contracts and special interests, had reached a written understanding to control the fate of China.

From the close of the Canton Period, the United States recognized the territorial integrity of the nations of East Asia, as well as sovereignty, together with its own responsibility to assist with its good offices the nations of East Asia to maintain their independence and to raise themselves to the plane of advanced nations, reserving only the right of jurisdiction over its own people in East Asia. It acted on this recognition of responsibility in all ways, so far as it could, without the employment of force.

By its various achievements, the United States had established itself in the Pacific. It also had aroused the concern of Pacific nations because of the acquisition and assertion of rights there based on the claims of possessions, and of good neighborhood, affecting all the great powers. In fact, these were the terms in which was defined a peculiar position of their own, which the United States had realized, and in which they rendered a peculiar support to the nations of East Asia.

The two great factors of our expansion westward have been the Pacific Ocean and the Open Door. The Open Door was what our contact with Asia brought us to. Under John Hay it was a well-developed doctrine, defined and formally established among nations in the Pacific in the last years of the Manchurian Decade and the first of the Open Door Decade. This book is an intensive story of what it led us through, what we have done with it, and what it may lead us to do in future.

In 1900 the nations of East Asia had so far advanced in modern progress, or fallen before it, that China alone remained so circumstanced as to be able to profit politically by our good offices and aid. Desiring, before it was too late, to determine, in the interests of mutual welfare in the Pacific, the rights and security of China, and the proper lines of relationship of all the great powers in the Pacific, as declared by them in the past, the United States undertook certain measures within its own rights.

What this was is not all in the category of common knowledge.

The Russian-Japanese War was the great event of the Open Door Decade and framed in their present form the situations of all the powers, including China, in East Asia. The relative importance of the United States in East Asia in the outcome of this war was third place, next to Japan's ally, Great Britain — American financiers having supplied one half of all Japan's war-bond revenues, in amount about two hundred million dollars.

In May, 1904, immediately after the first Japanese victories, Jacob Schiff, an American banker, arrived in London. In view of traditional policy and American ideals, Mr. Schiff supported the principle of integrity of the Eastern countries, and especially the preservation of Japan — the great leader of progress in East Asia. He regarded Russia as a great power, but believed her to be at the mercy of Japan, provided Japan could act quickly and follow up her action, a contingency to which the lack of money was the only obstacle. At the same time, if unsupported, she would soon be at the end of her resources, and ultimately, when Russia was fully aroused, unless she received financial

assistance, would be defeated. He had satisfied himself and his associates that Japan, though poor, had her customs, tobacco, railroads, and other government monopolies which were an adequate security for loans, and therefore was a proper business risk.

On May 10, carrying with him the necessary financial support from New York, Jacob Schiff entered the banking house of Baring Brothers. A remarkable scene occurred, the incidents of which I will give as faithfully as I remembered them an hour after they were told me by one of the parties present.

Japan was looking about for money. She had sounded British bankers. The world was looking on with misgiving as to her possible success. Addressing Lord Revelstoke, head of the house, Mr. Schiff stated his views on the importance of money to Japan to save her from defeat. If defeated, Russia would move into Korea and by suitable means make her way into Japan and subjugate that nation. Russian success, he said, would be a calamity to mankind, and it was the duty of civilization to see that Japan received the necessary aid. To prevent the colossus from the north reaching the Yellow Sea, dominating Japan, and descending into China, the two English-speaking countries should supply this aid. Lord Revelstoke said:

"That is very interesting. May I ask you a question?"

"Certainly."

"I would like to ask you if you have heard anything?"

"Nothing whatever," said Schiff.

"Well, then, I will tell you. Only this morning a loan to Japan of five millions sterling has been signed. The Japanese wanted ten millions, but our people were

not very anxious, and it had to be arranged at half the amount, and that not very willingly. But there was some political pressure. You see, Russia is regarded as a strong power, and our people hesitate a little."

To this, Schiff responded with the following:

"Will you inquire whether the amount can be made up to meet the Japanese figures?"

To this Lord Revelstoke said:

"Are you interested, and can you secure America's support?" And Schiff replied:

"You can accept my authorization for the remainder of the ten millions for American bankers. I authorize you to secure it."

American finance thereafter shared equally with British in Japan's war loans. King Edward sent for Schiff and told him that he, the King, was greatly gratified at American coöperation, which relieved Britain from the embarrassment of being Japan's sole financial support in addition to being her ally. "Great Britain," said the King, "has intimate relations with Russia, along an extensive frontier in the Near East and in India, and the Russians would take it amiss to find Great Britain aiding Japan single-handed from the outset." He thanked Schiff.

Present-day American finance in East Asia was initiated by Jacob Schiff in rendering invaluable service to Japan. Baron Kaneko stated that this service had saved Japan's credit. Other Japanese have similarly testified to Japan's appreciation of America's financial aid. American finance thus became one of the principal factors in the situation developed in the Open Door Decade — a situation in the face of which the great powers, and particularly America, are in a state of tense pause.

The importance of this new element in Pacific affairs cannot be fully appreciated without a knowledge of all the thoughts which it must have awakened among the statesmen of the various powers. The appearance of American gold as sinews of war on their Pacific frontier made a profound impression upon Russians, who at once recalled their withdrawal from California, their friendship for America during the Civil War, and afterward Russia's transfer of Alaska to us. Looming up before her statesmen, greater and greater from that hour, has been the specter of American gold and American enterprise in East Asia.

But to none has it been so great a specter as to Japan! [1]

Asia and the future of the world, it may be said, came to America to sit in council when peace was made. That this council involved a change of hemispheres and marked the first occasion on which Asia

[1] The distribution of Japan's war loans was as follows:

Ordinance Promulgated		
May 10, 1904 .	£10,000,000 6% Loan	£5,000,000 London £5,000,000 New York
Nov. 10, 1904 .	£12,000,000 6% Loan	£6,000,000 London £6,000,000 New York
March 26, 1905	£30,000,000 4½% Loan	£15,000,000 London £15,000,000 New York
July 8, 1905 .	£30,000,000 4½% Loan	£10,000,000 London £10,000,000 New York £10,000,000 Germany
	Post Bellum Loans	
Nov. 25, 1905 .	£25,000,000 4% Loan	£6,500,000 London £3,250,000 New York £3,250,000 Germany £12,000,000 Paris

has come to the New World to find peace are facts which record the direction of the wind of world affairs.

The relative importance of the United States in the Pacific and East Asia was shown June 9, 1905, when, through its own representatives, the Government handed to the governments of Japan and Russia an identical note urging the two countries to approach each other direct, respecting peace. On August 5, the peace envoys, Count Witte of Russia and Baron Komura of Japan, met aboard the President's yacht, the *Mayflower*, and with their suites were subsequently received by the Governor of the State of New Hampshire and Federal authorities, and on August 10, negotiations were opened in the naval stores room at Kittery Point, Portsmouth.

Came about one of the most remarkable gatherings of its kind that ever occurred. Having a simple, hard, practical duty to perform, and a direct aim, it was not as diverse and as all-inclusive as an ecumenical conference, but it called men from the ends of the earth.

Each of the two nations involved sent an official of its central government, of large political experience at home and in the world without; it was a signal for the gathering of the Asian clans. Came the Russians. Pokotiloff, the sinologue and political wizard of Central and East Asia, left Peking to travel by the Pacific and Canada to New England. Baron Rosen, who before the war had been Minister to Japan, left his post in Washington to join Witte. From St. Petersburg came Korostovetz because of his intimate knowledge of the affairs of the Russian Foreign Office and because he had been at the birth of Port Arthur and with Admiral

Alexeieff there. Likewise came diplomatic agent De Plancon because he had been at the funeral of Port Arthur and of the collapsed Russian Eastern Empire.

Of the Japanese, none were more able than Baron Komura, who came with a shadow in the person of William Henry Denison, Japan's American adviser. Japan's forces were compact. Takahira came from his ministerial post in Washington; Satoh, the publicity secretary, and the unofficial Kaneko, — the watchmen for the Japanese bankers and economists whom Katsura said were the Government of Japan, — came from Tokio.

When the two great powers of Asia had gathered from the antipodes their envoy-specialists in the diplomacies of several races and civilizations, the press assembled its correspondents from the antipodes to be the eyes of the world and look on. Came George W. Smalley, of the *London Times*, and Doctor E. J. Dillon, of the *Morning Telegraph;* Francis McCullagh, the mediæval apologist of lost causes, who had ridden with the Cossacks in Manchuria, journeying in the shadow of Count Witte; Howard Thompson, who had reported the war from St. Petersburg; George Ernest Morrison of Peking, Ishikawa and others at Tokio — all came from their European and Asian posts. Other scribes from the several capitals of the world and from New York and Chicago gathered at Portsmouth, and some went to Oyster Bay to be near President Roosevelt.

The peace problem appeared to be one of money on account of the great cry raised in Japan for indemnity to pay back Revelstoke, Schiff, *et al.* Japan's potential assets from the war were great. And her representatives claimed her right of the cession to Japan of Saghalin, payment of Japan's war expenses, limitation

of Russia's naval force in the Pacific, and the possession of Russian ships of war interned in neutral ports.

There were two ways of settling the war: the first being that belonging to a power that has been the victor and is the master, namely, of reimbursement by arbitrary appropriation and the imposition of a treaty of indemnity; the second of arranging by diplomatic skill, in lieu of compensation that cannot be enforced, potential equivalents assuring indirect indemnification through future profits and advantages. The latter must be the best alternative to a power that, although a victor, is not a master. Russia denied that Japan had obtained the mastery and declined her demands.

When this conclusion was reached, negotiations had been in progress four days. Six more days passed without progress, and the Conference was adjourned for two days to communicate with St. Petersburg and Tokio.

President Roosevelt, who later received the Nobel Peace Prize for his good offices, was the *deus ex machina* of the Peace Conference. He had received four visits from Baron Kaneko, Baron Komura's confidant and the personal representative of Marquis Ito, had tried in vain to enlist the aid of Great Britain and of France, and fearing that the Conference was going to fail, sent word to Count Witte that he would like to see some one who had his confidence. On August 20, Witte sent Rosen, the Russian minister.

Roosevelt made a strong appeal through Rosen to the Russian envoys for some payment to be made to Japan. But the belligerents were fairly opposed, and he failed on both sides. Roosevelt's efforts caused accusations in the press of undue interference and a desire on the part of the President to appoint himself

a plenipotentiary to accomplish a peace which others had failed to make.

Half a million Russians were standing at arms in Manchuria, awaiting the issue of the indemnity controversy. Witte and Rosen, instructed from St. Petersburg, made the following plans to quit Portsmouth. In case the Japanese should reiterate their claims for indemnity when the Conference reassembled, Witte was to arise, open the door of the Conference room, and say to one of his aides — in Russian — "Send for my Russian cigarettes." The aide was to relay the request to another at Wentworth Hotel, Portsmouth, the headquarters of the envoys, where the signal, in the form of one cable word, was to start to St. Petersburg and Manchuria, to set in motion the forces of a still greater battle than that of Mukden.

It was impossible for negotiations to proceed without the interference of parties who had not hitherto appeared in the *pour parlers*. Hence the story within a story — a second peace council. In the order of their appearance, the members of this council were: Baron Kaneko, Melville E. Stone, General Manager of the Associated Press, Baron von dem Bussche-Haddenhausen, Chargé d'Affaires of the German Embassy at Washington, and President Roosevelt. Scene: New York and Oyster Bay.

I was in Manchuria on the battle-front at the time; there was no verbatim record made of the conversations, but the substance has been given me by parties to them, as follows:

On Sunday, August 27, 1905, Kaneko telephoned Stone his desire to see the latter on an important matter. Stone left his club, the Lotus, as an undesirable place for a private meeting, and went to Kaneko's

lodging in the Leonori Apartment House. Kaneko explained that the peace negotiations had been stopped, and he was afraid Russia intended to break them off. Japan demanded an indemnity which she must have, but Count Witte had refused the demand. He therefore wondered whether Russia would not still pay under some guise that would satisfy her sense of honor.

Stone explained his view of the impracticability of an indemnity, since Japan was not the master of Russia, and Russia's attitude was such that she could not be forced.

Kaneko suggested that Russia might redeem part of the railway line, pay for the care of Russian prisoners in Japan, and argued that Count Witte and Baron Rosen had it in mind to pay for the redemption of Saghalin, which was in Japanese occupation, the price of which might be made equal to that she had realized by the sale of Alaska to America.

Stone pointed out that such a transaction, representing only seven million two hundred thousand dollars in connection with the cost of the war, — half a billion dollars, — would appear ridiculously small. The proposal would be lost in the laughter of the world.

The two men sat down to lunch. Kaneko agreed that it appeared impossible, but said that even should they waive the point, the Conference was in danger of being broken up unless something else could be done. Stone suggested that, in this case, the thing to do was to ask the German Emperor to use his influence with the Czar to prevent the Conference being broken up.

Kaneko was rather flabbergasted and pointed out that Emperor William was a yellow perilist, the author of a famous cartoon aimed at Japan, and that he could not have any natural sympathy for Japan. Stone

replied that, even if the Emperor still held such views, they would not be likely to have any consideration in the question of peace, which he would be most likely to decide on its merits, influenced by the responsibility of his opportunity and the greatness of the occasion.

Means for reaching the German Emperor were then discussed, and Mr. Stone was asked to arrange it. Telephoning first to the German Embassy at Washington, he found that Baron Bussche was at Lenox, and got in touch with him a little later by telephone from the Lotus Club. Bussche was taken by surprise. When asked if he could not come at once to New York, bringing his official code book, he inquired if it was something important. He got the answer back that it was of great importance, or he wouldn't be urged, and he started for New York. Stone then called Kaneko to the Club, and the two decided that communication with Emperor William could only be made by the President. Stone called Oyster Bay, and arranged to see the President. Kaneko affirmed his authority for stating that Japan would surrender her claims of indemnity, and with this assurance Stone left at once.

At Sagamore Hill, Stone and Roosevelt framed a 261-word cablegram to Emperor William under the President's signature, with a request to Bussche to cable it to the Emperor. The message stated that peace could be obtained without Russia paying any indemnity, and that she could receive back the north half of Saghalin, for which she should pay Japan whatever amount a mixed commission might determine. It concluded by asking the Emperor if he could not take the initiative in presenting the matter to the Czar,

adding, "Your success in the matter will make the entire civilized world your debtor."

Stone reached New York at five P.M., just as Bussche was arriving from Lenox, and with Kaneko's consent handed Roosevelt's message to Bussche for transmission to Berlin. Before allowing it to be sent, however, it was decided that the importance of their action was such that it ought to have official sanction from Portsmouth. The gentlemen concerned could not undertake to act in a matter that would involve the heads of three nations, without the knowledge and support of the Japanese peace plenipotentiary. In other words, they could not send the President's letter to Emperor William on the mere word of Kaneko that Japan would abandon her claim for indemnity.

Bussche wisely suggested that he send the President's letter to the German Foreign office, just as it was, but with a full explanation of the circumstances; "and," said Bussche, "perhaps the Emperor will act of his own accord." This was done. Late at night, Stone telegraphed the Associated Press correspondent at Portsmouth, Howard Thompson, to see Baron Takahira. The latter swiftly threw a curtain across Kaneko's work to screen Japan's position. He stated that Kaneko was in no way authorized to speak for the commission.

Monday morning, Stone hastened to see Roosevelt, and it was decided to send a long message of explanation to Baron Komura, saying that under the circumstances as they appeared, he would not send his telegram to the German Emperor nor continue to receive communications from Kaneko unless he was assured of Komura's desire that Kaneko should continue his communications. The acrimony of this lay in the

fact that it was Kaneko who bore the Mikado's request to Roosevelt to intervene to stop the war.

Witte and Rosen received a cable from St. Petersburg to await the disclosure of Japan's purpose, clouded by Takahira. Stone learned that his telegram of inquiry had not been "understood" in Portsmouth, and revisited Roosevelt, who checkmated Takahira by suggesting that the Associated Press make an announcement that the Japanese had given up their claims for indemnity. "Then," said Roosevelt, "let them deny it or admit it."

That day an account at length appeared in the dispatches of the Associated Press, giving Japan's change of position. Roosevelt's diplomacy and Bussche's act had saved the situation.

Tuesday, Komura replied to Roosevelt, confirming Kaneko's status as a responsible agent. This was the day set by Witte for talking cigarettes, and by Russia for dissolving the Conference. The Conference met in profound secrecy, as before. Sagamore Hill, the Lotus Club, the Leonori Apartment House, and Lenox, awaited the diplomatic explosion at Kittery Point. And Witte, coming from the naval stores room, said to his aide and others, "Gentlemen, peace!"

It had been upon Japan's request that President Roosevelt had asked Russia to enter into peace negotiations with Japan.

We pause now to think how recently we could venture suggestions and good offices to Japan. Up to this time we enjoyed the confidence of all. There had never been a time when combatants and non-combatants alike had not successfully appealed to us. We had avoided entanglements, satisfied with being free-traders and lending our good offices to contending

nations in the working out of the great political movements of East Asia. This was to be the climax, and it is well that it was wildly pacific as well as Asiatic.

When the Conference opened, Witte presented his written proposition which was the Russian ultimatum prepared in accordance with instructions from St. Petersburg, which gave him the power of breaking off negotiations. Satoh, speaking for the Japanese envoys, calmly rose and announced that in obedience to instructions, the claim for indemnity was withdrawn; that Japan did not wish to be understood as desiring to prolong the war merely for money, and that peace was possible on the terms of agreement already reached.

Witte could not understand what had struck down Japan's clutch at Russia's honor. Those unfamiliar with Russian custom gasped in open-eyed wonder when Korostovetz, likewise overwhelmed by the seemingly magical outcome, took Witte in his arms and kissed his cheeks.

"It seems incredible," said Witte; "I do not believe any other man in my place would have dared to hope for the possibility of peace on the conditions to which we have just agreed. . . . Until I was in the Conference room, I did not think what would happen. I did not anticipate such a great and happy issue. When my written proposition was accepted by the Japanese, I was amazed."

Congratulations for President Roosevelt came from Emperor William, King Edward VII, Pope Pius IX, Takhry Pasha, Regent of Egypt, the foreign ambassadors and ministers at Washington, Count Cassini, General Booth, the Lord Mayor of Liverpool, the Mayor of Southampton, The Trades Unions Congress

of Great Britain, the Nobel Peace Prize Committee, and many others.

When the diplomatic explosion at Kittery Point for which he was listening took place, President Roosevelt said to his secretary, Loeb: "Whistle softly; we are getting into thin timber, but we are not yet out of the woods." And the praise that his success then inspired appeared extravagant. The Pope, when informed of peace, rose and exclaimed: "This is the happiest news of my life! Thank God for President Roosevelt's courage." After this remarkable exclamation, he telegraphed congratulations to the Czar and to all the world. The general world-chorus of approval numbered among its voices not only kings, statesmen, ecclesiastics, and workers, but great warriors like Field Marshal Lord Roberts, and writers like George Meredith who said: "President Roosevelt will be crowned in history as the champion wrestler for peace." And he was.

No mention was made of the American-German Peace Council in New York. Stone suppressed a press telegram from Portsmouth, giving Takahira's denial of the published news that Japan had abandoned her claims for indemnity, thus shielding Takahira. The Associated Press, when it printed its acknowledgments to its correspondents who had aided in making the Peace Conference successful, mentioned its resident agents at Washington and New York, two men on special assignment at Portsmouth and Oyster Bay, and its telegraph operator. It was ten years before the facts, patent to us, were publicly known through a condensed article published by Stone in the *Saturday Evening Post.*

Kaneko admirably effaced himself, disclaiming all credit or place in the result, modestly retiring and leav-

ing the field to the accredited officials. He was present at a luncheon given by the President, September 12, showing that he was exonerated from any suspicions in connection with the act that achieved Japan's peace. Komura, according to official announcement, fell ill, and returned to Tokio under a cloud of popular disapproval, and afterward appeared as the genius and the director of Japan's whole enginery of state.

Komura's apparent diplomatic defeat at Portsmouth was reflected in the policy which he then forged for his country, and in this his proper star arose. As that policy has been not only acutely opposed to American policy and interests in East Asia, but is contrary to Japan's previous declarations, by being coördinate with Russian policy there, Americans may see in it the immediate fruit of their mediation in 1905, when Russia was persuaded, by a strange combination of circumstances, to make peace. The world ever since has wondered why Russia did it.

I have given the extra, or ancillary secrets of the Russo-Japanese Peace Conference. The story has been explained in words by Mr. Satoh, and in writing by Professor Amano, ex-President Roosevelt, Melville E. Stone, Captain Brinkley, and others. But no written accounts of the peace negotiations which resulted in the Portsmouth treaty mention the essential facts, namely, those that account for the subsequent history of the two nations of Russia and Japan in East Asia, and the limiting of American influences and interests, in which we started upon the payment of an incalculable price for the peace prize which Roosevelt had won.

CHAPTER III

Westward to the Atlantic

Japan's entire world had changed. She left Portsmouth with a new earthly position, though nobody knew definitely what it was, and the only persons who might suspect were the Russians.

It was left to us to uncover. On August 10, 1905, Edward H. Harriman, who was associated with Jacob Schiff, and personally had taken five million dollars of Japan's war bonds, started for Tokio. He set out for Japan's capital on the occasion of the closing act of the war, just as the peace commissioners were meeting, and as Schiff had started to London when Japan won the first land battle.

August 31, 1905, Harriman landed at Yokohama and proceeded by train to Tokio. In the first days of September, he visited Marquis Ito, chief elder statesman and principal adviser to His Majesty the Emperor of Japan. September 5, the Peace was signed at Portsmouth while Harriman was being received in audience by the Emperor of Japan and banqueted in Tokio by Baron Sone, Minister of State for Finance. And within five days there was signed a memorandum agreement for American lease and operation, with American capital, by Mr. Harriman, of the Russian Railway in Southern Manchuria and its resources,

acquired by Japan as a result of the war, which afterward became the *South Manchurian Railway.*

In the light of Japan's hostility to America, first in regard to Manchuria, and now respecting all China, it can hardly be believed that this took place: yet it is a fact. Harriman's errand was masked by a set of providential circumstances. While Schiff was loaning money to Japan, and Roosevelt was turning bayonets into pruning-hooks and swords into ploughshares, Taft, then Secretary of War, was being snubbed at Canton by a bumptious Chinese small official, and the President's daughter, Miss Alice Roosevelt, afterward Mrs. Nicholas Longworth, was in the interior of China having daily adventures for the edification, through the press, of men and nations. Finance and diplomacy could desire no more in the way of public diversion, behind which to shield their operations.

This remarkable agreement, called the Ito-Harriman Memorandum, lay unnoticed by all writers on the subject of the Portsmouth Treaty and its history in Manchuria, and of American policy in East Asia. It was a tentative contract, which recognized as feasible, and provided for the transfer of Manchurian railways on lease to a neutral holder. Harriman left Japan for Manchuria and China to examine into the value of the railways in question and the possible attitude of China toward the question of their transfer to him.

The conditions under which the agreement was realized may be understood from a consideration of the excitement caused in Japan by a publication of the terms of the Portsmouth Treaty. Riots occurred, destruction of property, incendiary resolutions on the peace terms and denunciation of the Treaty, and finally the incidental mobbing of Harriman's party when en

route to and from the house of Baron Sone, Minister of Finance. Harriman's party, on its return from the house of Baron Sone, watched the movements of the mob from the roof of the Imperial Hotel.

Everything connected with the Treaty enjoyed national condemnation. And although the mob never heard of the Ito-Harriman Memorandum, the Government at Tokio came to consider the plan premature, and chose to forget it. The Government at Washington still maintains the agreement confidential, while Japan has the most eminent reasons for keeping its existence unknown. In Japan nothing of it ever has been committed to the public. Its publication must affect the memory and fame of Ito, a great idol in Japan, and, in the light of Japan's subsequent policy, it must stand as a blot on the record of the Government and the Foreign Office, at least until a newer generation.

The obvious reasons of Japanese for continuing the secrecy of the Ito-Harriman agreement relate to Japan's original attitude towards Manchuria, and the treaty rights of other nations there as interpreted by Ito. Besides affecting the memory and fame of Ito, and exposing the nature of the counsel upon which the Government, if not the Emperor, acted, all of which was opposed to the subsequent expansion into Manchuria, Japan, since showing herself able to dictate Russia's policy in Manchuria, would not care to have it seen that in 1905 she sought to bring America between herself and Russia, by turning over the railway to her. This was a measure which, to Ito and his party, was an economical and political necessity.

In the minds of these men, Japan, after the war, would require a decade or more to recuperate and to

safeguard Korea in her development, during which time Japan must secure the effective neutrality of Southern Manchuria. For some time a tacit admission by Japan of such weakness in reserve assets as to make it impossible for her to retain what she had gained in Manchuria, making it necessary to negotiate the railway or abandon it, in its effect on Russia must be an important consideration. Russia would ask if it were possible that for ten or twenty millions of dollars, — the sum Japan afterward allotted for reconstructing the railway, — she would have fallen back to the Korean boundary after peace? Why, this was hardly more than Russia was losing annually on her North Manchurian Railway.

According to Japanese standards set up by Komura, Marquis Ito, Marquis Katsura, and Count Inouye, the signatories to the agreement, were traitors to national interests. In the agreement, Japan, by farming out and turning over the only negotiable asset of the war, the railway taken from Russia, gave up the nation's political vantage upon which was to rest its subsequent expansion, and which is a large part of the foreign policy of greater Japan. Toward the middle of October, Komura arrived in Japan, threatened with violence by the people on account of the peace terms which he had signed. In the opinion of his countrymen, he had signed away the right to a great indemnity to cover the cost of the war, and had left them with a burden of debt which they could not bear. What happened to him, including the threats of assassination, might well have happened to Ito, Katsura, and Inouye.

Komura thought that the temper of the people toward himself and the peace treaty showed that the Ito-Harriman agreement must be buried, a conclusion

quickly reached by the men in Japan foremost in the Government: Katsura, Sone, Inouye, Soyeda, Takahashi, Goto, and others — and Ito followed. Komura said that if it were attempted to carry out the agreement, there would be a revolution. Thus the measure was lost. And President Roosevelt admitted that it had been premature. Harriman himself expressed that idea in a later visit to Japan, and so did Schiff, who had actively defended and promoted American enterprise inaugurated in East Asia by these events.

When Japan contemplates how, perhaps mistakenly, she might have exchanged this present "Greater Japan" for the alternative comprehended in the plan of Ito and the War Cabinet, she must wonder what Russia thinks, and perhaps what we think?

Immediately on his return to Tokio, Komura, with Marquis Katsura, framed a state policy with reference to all Manchuria, China, and the powers, depending on the abandonment of the Ito-Harriman agreement, and the conclusions that had permitted it, on a principle contained in the secret minutes of Russian and Japanese negotiations at Portsmouth, and secret undertakings between Russia and China, which our Government at Washington knew nothing about. The abandonment of the plan of Ito and the ideas of the Japanese Government of that time, and the relegation of the Ito-Harriman agreement, was accomplished with most dramatic silence and dispatch. The Government turned "right-about" with accurate military precision and took up the plan of state devised by Komura. How the United States tripped and fell into the net of these complications through its lack of knowledge, failure to prepare the ground, and ignorance of diplomatic history, will be described.

A through, international route in Manchuria, created with our aid and coöperation, would have satisfied Japan's aspirations. But on second thought, after Komura's return, she wanted all of whatever she touched. Harriman, coming back from Japan, realized the possibilities of her extension of that touch, and said we would have war with Japan in ten years — Japan's development would bring it about.

The world was also changed for us. But all that we knew we blundered into. Harriman had acted privately, wholly on his own initiative. He had come into control of the New York Central and the Union Pacific railways. With them and the Pacific Mail Steamship Line, because it was a big liability and had no prospects otherwise, he conceived the project of a belt line of the world. His plan was to sail the Pacific Mail steamers into Dalny (Tairen) and with the rail connections afterward known as The South Manchurian Railway connect with the Russian Chinese Eastern Railway. Had he succeeded in Japan and China, he would have proceeded to St. Petersburg to secure connections by the Russian Imperial railways to Libau, where an American steamship line would have completed the circuit of the globe.

Great credit was given to Harriman in Wall Street for what was considered a brilliant exploit in extracting the Ito-Harriman Memorandum agreement from Japan. Six years afterward Otto H. Kahn said: "A high personage [Honorable Lloyd C. Griscom, our Ambassador?] temporarily residing in Japan during the year 1905 told me that the most amazing thing he had ever witnessed was the way in which Mr. Harriman in the course of a ten-days' visit to Tokio made a whirlwind campaign among the leading men and succeeded in

carrying away from the wily, wary, slow-moving Orientals a most important contract, so important and so far-reaching that, had it been carried out (and it was no fault of Mr. Harriman's that it was not), the course of Far Eastern diplomacy in recent years would have been different in some essential aspects." [1]

But why did Japan enter into this contract with Harriman? The facts are that at the time, as was shown by her disappointment at Portsmouth, she was looking for just such an angel as Harriman. Like the poor peasants of Russia she was looking for "a rich American uncle." Marquis Ito, in making peace, had decided that if an indemnity could not be secured from Russia, expansion was impossible. If an indemnity could be had, Japan could hold all interest dominated by her armies and dominate Korea and Manchuria up to the Russian-Japanese line of division on the railway at Chiang-chun (Kuanchengtzu). With the elimination of one item after another in the indemnity calculations, as presented by Japan at Portsmouth, the Government at Tokio arrived at a position where the appearance of American finance was a deliverance. By the offer of Edward H. Harriman to lease and finance it, the Government thought it had been enabled to save the railway taken from Russia, to turn it into a barrier against the Russian frontier, and to exploit the hinterland. In considering Harriman's proposal, Ito had before him the fact that Russia was losing (silver) ten million dollars yearly on the Chinese Eastern Railway in her sphere in Manchuria. Harriman's main point was that he could operate the railway at a profit and give a generous royalty to Japan. He

[1] Edward H. Harriman. An address delivered before the *Finance Forum* in New York on January 25, 1911. By Otto H. Kahn.

had the means for doing this. With regard to Korea, Ito remembered Japan's irksome burden in Formosa, where it had been necessary to train Japanese officials out of raw material before the island could be administered. Respecting Korea, Japan had no administrative officials with which to begin her administration there, and none speaking the language. Korea alone, to Ito, represented a task almost too great for the nation. Also he was solemnly impressed by the nation's responsibilities to the Koreans and especially by the difficulties that would arise with foreign powers in Korea.

The Ito-Harriman agreement therefore represented to Ito and his associates an important, safe, and adequate step forward, the wisdom of which remains to be disproved. Had Japan carried it out, not only would the subsequent course of diplomacy in East Asia and the Pacific have been different, but it might have been the greatest possible measure, in its consequences, for future prosperity, civilization, and peace in the Pacific area. As a result, American capital would have been immediately drawn to Korea, Manchuria, and North China, more railways would have been built and industries opened, and Japan would have secured our coöperation in all legitimate Pacific and Asiatic affairs. Japan would have been a beneficiary beyond calculation by a combination that would have secured through peaceful commerce what she is endeavoring to secure through armament and threat. The two nations facing each other across the Pacific doubtless would now be working together for the upbuilding of the Pacific instead of preparing for war.

America will have occasion through the decades to remember that Ito was its friend, that he remembered

with gratitude the aid which Schiff and Harriman rendered to Japan in a vital hour, that he appreciated their desire to continue it, and that we were trusted by him.

Japan's distrust of the United States began with Komura. Whether Komura resented the acts of Stone, Roosevelt, and Bussche, because of the situation produced at Portsmouth, or the acts of Ito and his associates in contracting through Harriman for Japanese-American coöperation on the continent in Manchuria, it is certain that Komura was the first Asiatic of power in the Pacific to distrust the motives of Americans and of American policy there. The turn of the Asiatic took place in Tokio when Komura reached there from Portsmouth, October, 1905; and there came the parting of the ways recognized by Harriman on the Pacific Ocean, before he set foot again upon American soil.

CHAPTER IV

Rally of Arms

Komura in two months had cut the ground completely from under not only the Ito-Harriman plan but all American enterprise, including long-established trade, all of which had been guaranteed at Portsmouth in Article VI of the Peace Treaty, which read: "Japan and Russia reciprocally engage not to obstruct any general measures common to all countries which China may take for the development of commerce and industry of Manchuria." His work in this was consummated by signing with China at Peking, December 22, 1905, an agreement whose terms, by the interpretation which Japan placed upon them, gave her dominant powers and special privileges in Manchuria, cancelling the Open Door provisions signed at Portsmouth. Having done this, Komura placed in China's mouth the statement that China could not consider the proposals of the Ito-Harriman agreement by which American capital was to be brought into the railway in Manchuria, which words he sent by cable to Tokio, there to be communicated to Harriman.

It was nearly three years before China was in possession of the latter information and able to deny this to the Government at Washington, but the circumstance was of no consequence to the fate of the

Japanese-American agreement. Komura had a knowledge of the strength of Japan's position through the secret information of the Portsmouth Conference which convinced the statesmen at Tokio that in Japan's future on the continent she must not be embarrassed by American scruples of Chinese integrity and sovereignty, equal rights and the Open Door, which would be involved in American coöperation. As she was allied with England, which guaranteed her from British interference, she got from London the money she first intended to secure from New York, to finance her Manchurian Railway, and bought in America with appreciable economy her railway equipment. And it appeared, though it could not be asserted, that she thus sought to salve over American reproach and avert suspicion by a sop to that gratitude which Ito felt to Schiff and Harriman.

Komura went so fast and so far in his continental, or "Greater Japan", policy that Russia, as well as China, was alarmed. Russia saw in the haste of Japan rocks ahead, when the world should find out the origin of that haste, and the very next summer sounded Wall Street for a buyer for her interests in Manchuria; she wanted to get out.

It took us years to get our bearings, thanks to the tangle in the skein of race relations across the Pacific which our Government never tried to unravel. Tokio had treated us to a sample of Japanese liking for the United States in respect to the Portsmouth Treaty, and California returned the doubtful compliment by a demonstration against Japanese. In 1906, when Russia was looking for an escape from Manchuria, this issue had its origin in the "school question" — a controversy over Japanese students of various ages

in the ungraded schools in California. Although a recrudescence of the same opposition that was visited against the Chinese in the past, it was, more than anything else, an indication of the swift development of the Pacific. Japan had just emerged successful from her first great war, and the moment was one that our Government regarded with awe.

The phenomena arising from the working out of Japan's secret plan of empire, as it affected Manchuria, very well defined by this time, had aroused enduring distrust, and Japan was somewhat annoyed by having to make explanations to our Government as to the meaning of her acts. She therefore very properly took advantage of the school question, when it flared out, to create a diversion at Washington.

Our Government did not understand the Manchurian situation. There apparently was no American official, either in the State Department or in East Asia, who did. But all outward evidences showed that Japan was forcing a most aggressive expansion, mainly political, into Manchuria and Mongolia. In the California question we were helplessly wrong, but as there was no solution that would agree with the strict letter of the treaty between Japan and America, without coercion of California by the other States, retaliation upon Japan for her insistence was made necessary. President Roosevelt sent Secretary of War Taft to the Pacific to emphasize the firm adherence of America to the Open Door policy, against which Japan's plans of unknown consequence, but immediate injury and danger, were clearly opposed. October 8, 1907, in a speech at Shanghai, Taft declared as follows:

"The policy of the Government of the United

States has been authoritatively stated to be that of seeking the permanent safety and peace of China, the preservation of Chinese territorial and administrative entity, the protection of all rights guaranteed by her to friendly powers by treaty and international law, and, as a safeguard for the world, the principle of equal and impartial trade with all parts of the Chinese Empire."

Thanks again to our diplomacy, the "safeguard for the world" depended on things our Government knew nothing about. It was somewhat out of its element, in a region where nations were throwing away their pledges, especially after leaving a treaty with Japan violated behind her. Japan had put into Manchuria the younger and aggressive members of her consular and commercial service, and the older and conservative element of her military service. She desired a maximum of aggression and a minimum of danger. America then imitated Japan in respect to consular service, but unintentionally. We had neither the knowledge nor the diplomacy to organize a plan of action. So far was the Government at Washington removed from having any aims of that kind in Manchuria that Mr. Fred Fisher, the first American Consul at Harbin, raised the whole international question of the violation of the Open Door in Manchuria, in Europe, Asia, and America, before he had been provided with any instructions whatsoever as to the course he should pursue there. It was a fair example of our neglect of diplomatic matters, which are the matters of details, and though despised on this account by our people and Government, as shown by our violation of the American-Japanese Treaty in California, and other foreign treaties, are nevertheless the whole thing in international relations.

Now China's real interests prompted a natural and truthful expression of her attitude toward the United States. Komura was not long out of China when the latter looked about for the wherewithal to execute means to safeguard and develop her Manchurian property. She approached America, because that was the only capitalistic and friendly power whose assistance would be disinterested, and whose motives would be without suspicion and above reproach. The next aid sought was that of British skill, because as the ally of Japan, British motives would be above cavil. As a reply to Komura's cablegram to Tokio respecting China's attitude toward American capital in Manchuria, it may be mentioned that in August, 1907, China entered into an arrangement through the American Consul General at Mukden for capitalizing a Manchurian bank with American money, — afterwards fixed at a minimum amount of three hundred million dollars, — to finance measures of commercial and industrial development, including a trunk railway from the Gulf of Chihli to the Nonni and Amur rivers.

The American Government was as far removed from connection with these efforts of China as it had been with the Ito-Harriman project. In the absence of any interest or attention within the State Department during this period, the young American consuls in Manchuria, after the success of Fisher at Harbin in provoking our Government's interference against Russia's violation of the Open Door, developed a counter policy of their own toward Japan's aggression, which showed a determination to outstrip that of Russia, who was now piqued into resistance, which gave support to Japan's campaign. And this action was so far out of scale in the State Department's con-

ception of the case, that it called down the criticism of American Minister Rockhill at Peking, and a consequent reprimand by the State Department. The unauthorized and independent opposition of the young consuls, and their accompanying propaganda, which resulted in strengthening Chinese counteraction against Japan, aroused Japan more than anything that America had done in East Asia. And then began the real American-Japanese conflict of ill feeling and sensation.

In 1906 came the Japanese school question in California — and the first war scare. It was a question of the treaty rights of the Japanese, in America, partly economic, partly racial. It was the real Asiatic Problem — the problem of the like and the unlike, for which, if there were any solution, there would be much less written about it. Although the issue started in the simple question of school privileges, all Japan and all Western civilization realized that it was the Asiatic Question.

We were still under the disability of a lack of understanding and of plans, May 5, 1908, when we signed with Japan an arbitration treaty. It was remarked in Washington that all questions there found their end in that of Manchuria. The school and treaty question had not progressed any, and Japan took advantage of the situation to distract attention from Manchuria by continuing her diversion at Washington. Roosevelt took the defensive, and retaliated by sending a fleet of sixteen battleships into the Pacific. Japan backed a little; she removed the pressure of the school question by recalling her ambassador, Aoki. The fleet sailed through the Straits of Magellan to California. When it had visited the British Australasian colonies, and had provoked demonstrations

expressive of a strong feeling in the Pacific against Japanese expansion in Western lands, it visited Japan and China. Not to offend Japan, Roosevelt avoided sending the fleet into the Gulf of Chihli, the zone of the Manchurian allies, Japan and Russia, Britain and France, as China desired and had arranged. In fact, by the time the battleship fleet had reached Australia, the moral effect of the measure had been all that the Government contemplated, and any further action calling attention to the Manchurian situation was avoided. Secretary of State Root was obliged to take up the Harbin, or railway zone administration question, concerning the Open Door, because Fisher had made it acute, but he could not get to the bottom of it and never uncovered the basis of Russia's position, so well known to Japan. Roosevelt, advised by Root, then inaugurated the opening of the Isthmus of Panama, the most important and impressive act of state and diplomacy in all American relations with the Pacific and East Asia. It embraced a possible wholesale relief from the pressure of the Asiatic question, by letting Europe at Japan from the quarter where, by defense of her flank, the Isthmus, according to Humboldt, had protected her in her seclusion since America was discovered.

But otherwise, barring the battleship fleet, with respect to East Asia and the Open Door, Roosevelt's administration drifted, relying upon its great Canal measure of cutting the flank defense of Japan, the Isthmus of Panama, to possibly checkmate that rising and troublesome conqueror. After John Hay, nothing had been done in East Asia to extend, or even to fortify, the Open Door policy.

Then, in 1909, President Taft came into office.

Komura now loomed immense on the western horizon. The situation respecting American interests in East Asia was acute. The opportunities were very great for effecting lasting good. The commercial treaties had not been carried out, and we seemed the natural leader in any international action because we were the only power China did not distrust and the only one she regarded as a friend. The doctrine of fair play and equal right in East Asia, which, as time had gone on, were strengthened in this country by the utterances of successive American statesmen and officials until they had conquered the minds of the statesmen of Europe, was at stake. President Taft instructed his Secretary of State, Knox, to give special attention to East Asia. He was the only President who had been to that region, where he had been Governor-General of the Philippines. He had a special knowledge of and a special interest in it. In the light of Japan's treaty pledges and protestations, the situation of China and of American interests, Taft enlisted some of the foremost financiers to aid in preserving the traditional national policy, and the securing of the markets of East Asia open to American trade and enterprise, and undertook to give friendly aid and encouragement to China.

These questions will be finally determined by war, and they need to be explicitly expressed. Taft's course was the natural and proper result of our past integrity in East Asia, giving us a position there and in the Pacific, from which it was hoped we could never be dislodged. With Taft's instructions before it, the State Department entered upon a course which ultimately furnished a revelation of the underground workings of Japan, in connection with Russia, that

caused Taft to remark on the neglect in the State Department in the past. Japan's acts, notably in bringing the zone of the Mukden-Antung Railway, — a military line built during the late war, — into the field of her special and exclusive rights, her civil invasion of Manchuria in the Chientao region on the Tumen River, Russia's acts in exercising civil government over Harbin and the zone of the Russian railways in Manchuria, etc., showed that a great conspiracy against China and the Open Door existed. In the dark regarding the most important facts of Japan's and Russia's position in Manchuria, the State Department, with plans devised to annul the known and unknown foreign influences that were undermining the Open Door doctrines, entered upon a voyage of discovery.

CHAPTER V

First Line of Defense

These matters of the relations and affairs of the United States with other nations exactly correspond to the relations which individual Americans have with each other. Their importance to the nation is exactly the importance of the things which make up the intercourse and affairs of individuals. This is a fact which has to be henceforth learned in the territory and expanse between the Atlantic and Pacific oceans, which never had to be learned hitherto.

In 1905 the Open Door in China was a principle accepted and kept by all the powers, and strengthened by the terms agreed to by Russia and Japan in the Portsmouth Treaty. But after three years of Japan's silent but forcible undermining in Manchuria, and onslaught upon our established doctrine, the powers began to show signs of falling away. And while we were still occupied in Manchuria, Japan's allies struck us on our flank in Central China. It was necessary for us to do something.

Japan's sheet anchor, through the results of her war, as I will show, was Russia. This made the war the dividing line in the Pacific history of all Western powers. It forced them to shift their positions, and it aligned them against themselves.

Japan therefore had other allies, however unavowed. It was clearly seen that a new basis for foreign influence and power in China was created. After about seventy years of vicarious free-trade intercourse with China and East Asia, we saw that we were being displaced. We saw that the United States must readjust itself to conditions. Our industries and capital shared this attitude with our Government. The material and moral advantages coming to us as a compensation for our participation, along with our associates, in the preparation of the field of commerce and relations in China, must be safeguarded. In order to do this, we must actually get into China with a nationally protected trade, prepared to take the physical as well as merely moral responsibilities of our position there and among the great powers. Laying down and picking up commodities at the seaboard was not enough. We therefore undertook to establish our trade and relations on a permanent basis.

China was the scene of a high state of competition among nations. When these nations had first come into open competition, commercially and politically, in order to prevent collision, Great Britain, France, Germany, Japan, and Russia created for themselves "spheres of influence." This recognition of common interests and the necessity of peace to insure their prosperity made, in a certain sense, "allies" of these powers, and common interests led to their coöperation in the affairs of China.

At a favorable moment of good understanding came America with the principle of the "Open Door", or equal opportunity for trade. Set up among the powers, chiefly through the exertions of John Hay, this principle, together with the revolutionary effects

of the Russian-Japanese War, seemed for the time to have demolished the doctrine of "spheres of influence" which had threatened partition of China.

It was inevitable that competition should reach a more and more acute stage, notwithstanding the aggravations due to the political effects of the Russian-Japanese War. But suddenly, in 1908, its effect began to oppress American interests. The "Open Door" seemed dissolving into a figure of speech, largely due to the increasing control of trade by the three mentioned European capitalist powers through loans to China, which for five years had been syndicated and nearly monopolized by them, and by the Japanese (Russian) revival of "spheres of influence" and "special rights" in Manchuria. Recognizing this, our Government took steps to wrest from European finance equality for America as a money lender, merchant, and useful friend to China, in keeping with the integrity of her long partnership with that ancient nation.

In 1909 came the crisis. After having granted to Germany, Great Britain, and France, in the German and British "spheres", a loan contract to build one of her longest railways, — the Tientsin-Pukow line, — China further responded to overtures from these powers for the construction of the greatest railway system yet devised by her — that of the southern and western connections for her chief industrial center, Hankow.

The success of these negotiations as planned would have given the three European capitalist powers, whose policy was directed to offsetting Japan's aggressions in the North, another far-reaching monopoly. But more: the European powers and Japan had learned, and were more than ever convinced by Japan's Man-

churian expansion, that the control of industrial development gave the monopoly of trade, and while negotiating with China, they were arranging in Europe, under the style of the British, French, and German groups, a syndicate to control all China loans, present and future, the most promising means of limiting Japanese and Russian aggressions on the north.

The monopoly of loans, industrial development, and trade in China, would mean not only exclusion of American commerce, but the limitation of the influences of American ideals and institutions, and would determine the political future of East Asia on Europeanized lines, giving America both an unknown Asia and an unknown Europe on her west. It was seen that America must enter into China's finance and development abreast of the foremost powers, or lose not only her commercial and her political position, but possibly her moral and cultural position, in the rise of East Asia and the Pacific.

A problem was presented as to the best means of entering this situation, which could not be effectively dealt with on rights assured to us by treaty. What was needed was a basis of physical interests. Having no concrete physical interests involved, our Government took stock of its diplomatic assets. Americans were among the first railway concessionaries in China and held a legacy from the unwisely abandoned Hankow-Canton Railway concession. And August 15, 1903, in consideration of the same concession being given up, China granted the right of American participation in the building of a projected railway from Hankow toward Szechuan — the Hankow-Szechuan Line.

Such agreements are common in China, and may

be called premier-right-of-aid agreements. The tripartite drama of the Hankow loans was well on before America realized the whole value of this as a weapon.

An impasse was reached which exposed this portentous antagonism that existed between Germany, on the one hand, and Great Britain, together with her commercial ally, France, on the other. For three years Germany, seeking future advantages, had worked on the lines of a liberal and progressive policy with China. She had recently favored China in the Tientsin-Pukow Railway loan, in the German sphere of Shantung, where she had the balance of power, forcing the British and French in that contract into easy and profitable terms for China. Great Britain and France, with their vast interests already established, and regarding those terms as dangerous, and having the whip hand by reason of a right-of-aid agreement, were determined to use it.

Britain, with her constitutional perversity in situations of gravest consequence, proceeded to reëstablish previous loan conditions, refusing to China the terms granted in the Tientsin-Pukow loan, substituting terms of an earlier loan contract which was one of the most humiliating and exasperating that, on her part, China had to perform. Germany remained passive, as a silent partner, and saw China refuse the British proposals. But when Britain became inexorable, a new situation was created. Germany's opportunity presented itself, there was a flash of the political sword, and a crisis came in the annals of China's finance.

The British in China felt justified in pressing their position, from a conviction that they could control China's credit and finance, through a financial pool in Europe which they thought had been consum-

mated. On March 2, 1909, a meeting of the British, French, and German groups took place in London, which drafted an agreement to this end. It fixed terms and conditions to be imposed upon China, and not only controlled China's credit and finance, but had in view forestalling America's entry into China, threatenings of which already had been heard in January. It was known that America was standing in the wings with her right-of-aid agreement, and otherwise might at any time step under the proscenium. We thus felt the steel of Europe in the Pacific.

At the outset, China had appointed her leading statesman, Chang Chih-tung, to conduct her negotiations. He had long been Viceroy at Wuchang, opposite Hankow; he knew the Germans well, and especially the Peking agent of the German bank, Herr Cordes. March 6 or 7 was set for signing this agreement. Pending signature, the Germans gave notice that they held themselves free to act, and in the interval they seized the Hankow-Canton loan for themselves. First securing a definite refusal from the British, Chang Chih-tung asked the German group bank to present a tender for the loan, and finding it in accordance with the most favorable terms hitherto, as was all previously arranged, he accepted it, and at once exchanged pledges with Cordes.

Germany, who was fighting England in all her spheres, had been watching this loan with the four eyes of the dual-headed German eagle. Britain was done out of the benefits and value of her premier-aid agreement, which was one of the defenses of her supremacy in the Yangtse Valley, and upon which, largely, she had been able to pool the European banks.

When it is remembered that Peking in these days

was considered to have reached a position of importance in diplomacy and intrigue not inferior to that of Constantinople itself, it may be seen what a furore was created. From being chiefly the theater of conflict between personal idiosyncrasies, whose greatest international affairs were social animosities and petty scandals, Peking had been taken by *welt politik*. Germany, who was to mortally assail her and all her ilk, "had penetrated the Yangtse Valley", "the sacred sphere of Great Britain."

Whispered at the club and in drawing-rooms, this challenge electrified the foreign community and astonished the chancelleries of a dozen legations like the tocsin of war, while it sent a thrill to the capitals of Europe and America.

Up to this moment, little more than a commercial interest in railway loans in China had existed among the powers. But now, an outside power had challenged British rights and supremacy in her own traditional sphere, and that power was her *bête noir* — aggressive, audacious, and irrepressible Germany.

The event came at the time the German War scare was raging in Great Britain. There were several naval scandals, that spread throughout the British Empire a feeling of suspicion of British naval management and efficiency; German "spies" were being discovered in many English by-ways; invading German aircraft were apprehended and visualized; there was a "Greater Britain" army agitation, and the creation of the "boy scouts." A patriotic play by an army officer, founded on the invasion of Britain by Germany and called "An Englishman's Home", had taken the populace by storm, and even had been performed in Germany, to show to what length a British war scare

could go. Altogether the exploit of the Germans, coming at this time, to the British was in the nature of a submarine attack or a Zeppelin raid.

We then had been eleven years a territorial power in Asia, and our own advent had been challenged by at least one of these powers in Manila Bay. The sound of this challenge had not died away when the German Emperor's sentence of terror to China reverberated in the East, and it was loud in our ears when the challenge of Germany to England sounded along our Pacific frontiers. And the echo of it was still heard when Japan and England by arms took possession of Kiaochou Bay and the German concessions at Tsingtao and in the hinterland. It is a part of the sequence of these events in China that it was mainly Japan that took Kiaochou, and the German "sphere" which, together, were the base for promoting these enterprises under discussion; and one may wonder what the Germans now think of these exploits which already foreshadowed the interference of Japan in all rights in China, however securely established in history and practice, and defended by time, precedent, and material interest.

The importance of Germany's exploit was no less significant to America. It reacted by preparing the way for American enterprise to expand in China, and set in motion a train of events far more ominous to us in the Pacific than were these events to Germany. We had seen by the general grab of the European powers, in their movement to out-expand Japan, that it was time to do something if anything could be done — both for the Open Door and for ourselves. How to make them disgorge was our problem.

We see daily what Europe is on the east of us, and

now we can see its potentialities and promises on the west, from what the most recent past has to show. The occupations of the powers engaged in the World War, immediately preceding its outbreak in Europe, were concerned with the Pacific.

The door was flung wide open for America's invasion of the whole Chinese financial field. But this was due as much to the means which Great Britain employed to recover her position, as to Germany's exploit.

How to recover place in the lost Hankow-Canton loan was the first problem of the discomfited Britons. They tried to overawe China by representing that British rights had been overridden. Patriotic Britons accepted the situation as a discreditable scandal. They admitted having been outmanœuvred, and began efforts to recuperate from their losses. They failed in their efforts to discredit the German agreement with China, and instead of gaining credit with China by claims of acting in her financial interests, both Britain and France were charged by her with conspiracy to injure her borrowing power.

Fortunately for them, they possessed a right-of-aid agreement, similar to that possessed by Americans, which entitled them to half the benefits of foreign participation in the Hankow-Szechuan Railway. By the use of this agreement, they were able to at once bring forward negotiations with China for the construction of this line. In the circumstances, it was like a last chance, and Great Britain played her hand with rather reckless indifference. Conveniently assuming that Americans had withdrawn from Chinese loans, they naïvely tendered the American interest in the Hankow-Szechuan line to the Germans, as a peace offering, in exchange for equality in the lost Hankow-

Canton loan. America, in the past, had been indifferent to Chinese loan affairs, but Britain's action convinced her more than ever that she was irrevocably involved in the intimate affairs of China. The act amazed the Americans by its audacity, while it amused by its desperation. But before America could realize that the British and French, in their contest with China's credit, had capitulated, Germany took the bait, and before the Washington Government could act, Britain and France had confiscated America's half interest in the Hankow-Szechuan Railway, and had achieved the delicate task of reuniting the three European groups.

These powers had again started confidently on in their tripartite financial career, and were bringing negotiations rapidly to a conclusion for loans for the two railways mentioned, under the name of the "Hukuang loan", when they saw looming before them the amazed, outraged, "impossible, but unavoidable" Americans. They had hardly finished their own acrimonies and reunited their ranks, when they turned a bold and defiant front to repel American invasion.

America never had been so important in the practical and vital affairs of East Asia. The dénouement of this situation was the diplomatic event of 1909–1910. Aside from the heads of the British and French foreign offices, Sir Edward Grey and M. Pichon, and the German Chancellor, Doctor Von Bethmann-Hollweg, — the World War leader of foreign politics in Germany, — the personnel engaged included the principals in Peking: Sir John Jordan, the British Minister, an experienced and able diplomat, and seasoned "China hand"; Mr. Hillier, the blind and astute British banker; assisted by the Frenchman,

M. Casenave, holding a hard-won diplomatic rank of Minister Plenipotentiary; and Herr Cordes, of the German Far Eastern Chancellery, a good fighter, and the sole survivor of the incident of the murder of Von Ketteler, which precipitated the Siege of the Legations.

To oppose this formidable confederation was a single official in the American Legation. Mr. Rockhill, the Minister, who had seen the contentions initiated, had withdrawn from China in June, leaving the Legation to the first Secretary, Henry P. Fletcher, a former Rough Rider, and a Pennsylvanian, upon whom fell the pioneer work in China of bearding the European diplomatic lions. Back of him stood Secretary of State Knox, together with the late J. Pierpont Morgan, Jacob Schiff, and other Wall Street capitalists, like the vague figures of British, French, and German finance, hovering gloomily in the background. But above all was President Taft, the first national executive who had come into personal contact with the life of East Asia, and whose special knowledge gave him a personal as well as an official interest in the contest.

When Germany closed with the British offer of our share of, and the European groups appropriated, the "Hukuang loan", America's rights became effective in four foreign capitals. The efforts which America now put forth to break this four-sided European compact into which China was led, and preserve American rights in China, while aimed at all participants, were addressed to China for the fulfillment of her agreement. Secretary Knox expressed the Government's views in a forcible statement which he issued, anticipating a fuller participation in foreign enterprises in China than America's solitary right-of-aid agreement would have admitted her to, if carried out in the ordinary course.

He thus took full advantage of the circumstance that the European groups, by their act, had opened the door by which American finance was to be admitted to equality in all enterprises in which rights were reserved to foreigners in China.

Now came America's note, framed by the Division of Far Eastern Affairs, of which William Phillips was chief, under Huntington Wilson, First Assistant Secretary of State, forwarded by Secretary Knox, and requiring of China the fulfillment of her promise through participation in the present loan, in accordance with America's right to be consulted in case foreign aid should be required for the Hankow-Szechuan Railway.

In East Asia the "situation" is everything, and here was a new one created amid renewed consternation. China, with some alarm, communicated the note to the interested powers and took a renewed accounting of her situation. Chang Chih-tung, her leading statesman, who had been Viceroy at Wuchang, opposite Hankow, when the right-of-aid agreement was given to Americans, was severely censured for having overlooked it at the vital moment. He had forgotten it. But as he was the greatest man in China, and spoke with authority and resource, he was, in fact, the whole Chinese position. He shared in the pride which the European bankers took in having brought the loans virtually to a state of completion. And to him was due the Chinese official attitude of incredulity on the entire subject of America in the loan field in China. He got his view from the Europeans, who did not believe that America would fight the battles of commerce in China with the weapons they themselves had to use.

In justice to them, it must be said there was nothing to show the contrary. American initiative had become so supine in China that none could believe the United States Government capable of such energy. In the ranks of the European groups, America was charged with perfidy in thus coming into the arena. It was said she had once declined, which had some basis of fact. Two years before, British bankers had approached American financiers, notably the National City Bank and First National Bank, both of New York, regarding American participation in the railway for which America had the right-of-aid, and had received a negative answer. Although other American financiers made overtures to the British and French financiers, both in January and in April, 1909, for coöperation in loans in China, the European financiers, for their purposes, at any rate, chose to regard that reply as final. This view, which was now maintained by the British, was shared by the French and accepted by the Germans.

The Europeans, however, admitted the actual situation. Their first move was an endeavor to persuade the Americans to withdraw their representation lodged in Peking, failing which an agreement could not be reached with America. They attempted to belittle the financial power of the American group, organized to defend, financially, American right of equality in China, the abilities of which, they said, were untried and unknown, and the members of which had been hurriedly assembled for the occasion. They meant that America could not loan money at the low rate of interest prevailing in China, and would therefore be dependent upon Europe after all.

These efforts availed the Europeans little, even in

the gaining of time, and only invigorated American action. America's note had reached China in the nick of time. The Tientsin-Pukow loan agreement was signed January 13, 1908. The Germans, under the noses of the British, had secured the Hankow-Canton Railway loan agreement March 14, 1909; the revised loan, under the style "Hukuang Loan", initialed by the reunited European group representatives, was signed June 6, and June 9 the United States Government announced that it had conveyed to Great Britain, France, and Germany the intention of American financiers to participate in the Hukuang Loan.

Present-day diplomacy has been flattered as the instigator of the World War that was to follow these events, and what now happened is a good illustration of its processes. The Europeans were very interesting and specious in their arguments. They deprecated a division of foreign opinion and policy toward China, and said that pressure by America upon China, if successful, would have an injurious moral effect alike on all relations with her, as it would show her that she could annul agreements with foreign powers. Although we made good use of some of these arguments ourselves, afterward, America refused to take an equivocal course. Our Government held China to her pledge, refusing to allow the European powers to come between. Fearing a slackening of China's resistance to Europe, Mr. Fletcher, in Peking, kept up a constant siege of her high officials. Seeing that America would not recognize the European groups, to the ignoring of China, in effecting a settlement, the European governments did not think it necessary to restrain their financiers. On June 12, in consequence, American representations

to China had become almost a protest. The European groups were employing every persuasion to induce the immediate ratification of the loan by China. Before June 14, the German bank received instructions from Berlin that the Chinese negotiators be urged to memorialize the Manchu Throne to ratify the loan as it stood.

There had never been a situation in Peking like this, and it had elements of great gravity. Fortunately, America's concern began to impress the Chinese, and Liang Tun-yen, active head of the Chinese Foreign Office, though not himself convinced of America's determination, consulted the European banks as to what they were willing to do. Naturally, they all stood together and urged ratification. Thereupon China, feeling herself to be in a hard position, and convinced by America's opponents, considered ratifying the loan before America could make good her demands, hoping thus to forestall further complications.

Seeing that China was thus allowing herself to be dragged about, America called upon her to make good her promises, on the one hand, or to repudiate them and override American rights, on the other, and by her action demonstrate the true value of her right-of-aid agreement of August 15, 1903, of her confirmation of the same, July 18, 1904, and of her repeated declarations of friendliness for the American Government.

There was no imitation by Americans of the policy and tactics of the Europeans. In stating its position, the United States Government avoided all appearance of pressure. It stated to China that America would not attempt to coerce her, that she would be left entirely free. But it emphasized that whatever China did must be done in public view.

American representations to China had never been so strong. Liang Tun-yen, the Minister to whom they were addressed, asked what China should do.

"Tell the European bankers that you cannot ratify the loan," was the answer of the American Chargé d'Affaires.

"But they insist upon our keeping our contract; they will bring pressure to bear upon us."

"Stand behind the United States," replied the Chargé, "and oppose their actions as being any precedent for yours and ours. But do not send in the memorial; do not issue the edict."

The Minister then stated in so many words, "We will not send in the memorial."

"Very well; if you will not issue the memorial or the edict, the loan is stopped. That is all that is necessary."

No doubt China welcomed this pressure. The Chinese Foreign Office thereupon formally notified the European groups, through their banks in Peking, that China was not willing to ratify the proposed loan in the face of American representations.

America's first position was won. On January 6, 1910, in explanation of its course, the State Department said: "Late in May last this Government learned that an understanding had been reached between important British, French, and German financial groups supported by their governments by which they were to furnish funds for the construction of two great railways in China. This Government, believing that sympathetic coöperation between the governments most vitally interested would best subserve the policies of maintenance of Chinese political integrity and equality of commercial opportunity, suggested that

American coöperation with the group already formed would be useful to further the policies to which all were alike pledged, etc."

This letter contains no less than ten references to the "Open Door", again securely linking that principle to all American effort and policy in China. The Government at Washington had often interfered in Chinese foreign affairs on behalf of the "Open Door", and was generally welcomed by the nations. Its recommendations were received with respect, but had never had the force of demands. It was evident that, in future, they would be received only on protest and sufferance, unless we could show sufficient determination to maintain a place of physical equality with European powers and Japan, in China.

Any one familiar with Oriental-Occidental intercourse, as understood in Europe and the Levant, and visiting China for the first time in 1909, would have said that Constantinople had moved to Peking. It is in this aspect that Europe's position in East Asia and the Pacific, — its interests, achievements, and influences, — compel recognition. They make the Asiatic question and the problem of the Pacific the great international and diplomatic issue which Asia alone could not make it. The United States was directly involved in East Asia in the maintenance of a national policy, just as European nations were involved in the maintenance of policies on the western frontier of Asia. But this situation represented far more to us than the creation of another Constantinople, or the creation of another Levant. It brought Europe and Asia to our Pacific frontier.

America had now stopped immediate ratification of a European-Chinese agreement, the effect of which,

otherwise, might easily be her elimination from the vital affairs of East Asia. Ready to prevent this, our Government gave out an assurance that it would strenuously support the claims of Americans to participate in the Hukuang Loan. This was received as a challenge by the European groups and governments, which did not seem to be dismayed. They had withdrawn only for air; they had not done with China; they had not relinquished her. And the real diplomatic fight began.

On June 16, the British and French banks apparently gave way before China's refusal to ratify in the circumstances, and reached an agreement with their respective ministers to the effect that the Americans were in earnest, and must be approached with the object of receiving them into the loan field. They approached the German bank, and, after a conference of two hours, won over the agent to their view. All then sent identical notes to the principals in Europe, stating their action.

The ministers of legation involved now conferred. British Minister Jordan assured American Chargé Fletcher of an amicable settlement, but emphasized the difficulties of altering the accomplished agreement, the bankers contending that it could not be altered. "The European groups and governments," he said, "relied on the justice of the Americans to accept participation in future loans, in lieu of claims upon the present loan."

Therefore, the British were unpersuaded and unmoved. They had brought down such a clatter and pandemonium about their own ears, since instituting these negotiations, that they were still waiting for the sky and air to clear, in order to see what had happened.

On the other hand, the French had always been friendly to American efforts, and having perceived an ultimate American movement into China, determined that when it came, it must be recognized. On their part, they advocated going in with the Americans, causing thereby a serious disagreement in the ranks of the European groups as to policy, with the result that the leadership of the groups was assumed by the conservative British, by right of their greater share in the enterprise.

The German Legation in Peking had carefully refrained from entanglements in the case; the French Legation held aloof, its interests being identical with those of the British; while the British Legation, which was obliged to defend its premier aid agreement, on which rested the negotiations, as well as the accomplished loan agreement, took up the struggle, the largest part of which was yet to come.

The change of position, then, amounted to nothing at all, in the view of America, whose agreement with China referred to the present loan only. We saw that our opponents had not been vanquished, though it was plain that they were "fenced in" and were looking for a place to "climb over." The European interests generously discharged invective at the "American highwaymen" for the manner of their coming into the loan question, "so strikingly characteristic," they said, "in its resemblance to the peculiarly American form of robbery called the 'hold-up.'"

Fought over as she was, China was in one of those humiliating positions in which she had often been, but never less conspicuously. She seemed to disappear. Her ministers went into an eclipse. Official visitors to Liang Tun-yen received word at his door

that he was reduced to the flat of his back. Chang Chih-tung retired to the seclusion of his family, and mourned over the attitude of China's "friends", the Americans. He had expressed China's traditional hospitality toward Americans, but when he learned that his words regarding China's willingness to receive American capital had been telegraphed to the American Government, he was annoyed, and said that in respect to the present loan he thought it was too late. As this represented his concurrence with the European view, Mr. Fletcher remarked that the American Government held that it was not too late. His American interpreter, in deference to peculiar Chinese sensibilities, explained that this speech aptly illustrated the frankness of Americans, showing that, to use a Chinese proverb, "they did not drink tea and talk wine, nor drink wine and talk tea; but when they drank tea they talked tea, and when they drank wine they talked wine."

Later, the old gentleman said the matter had given him much trouble and concern. "When I try to do something," he observed, "some one comes and slaps my face, and another picks my back." This referred more particularly to America, which had come to him in the capacity of the "last straw."

All the pettiness of this kind of international dealing is exposed by type. As conferences, code cablegrams, and dispatches, it does not appear so mean. It seems important, weighty. But in print, all that is petty is brought out. On June 19, America was still awaiting an offer from China. On June 20, the European powers, Britain leading (being the doyen in the negotiations), made known to the Washington Government their official attitude on the subject of

the American demands. With a view to conciliation, they all agreed in principle to the justice of America's position.

Then came an interval of ingenious finesse in which the Europeans endeavored to discover the full nature and extent of American expectations, and the minimum with which Americans would be satisfied. Figures were required by the practical European financiers, to whom, in fact, the whole question was represented as being one of dollars and cents. Even the cable tolls were made an argument and defense by them, and these expenses given as a reason why the accomplished agreement could not be broken.

The machinery of official intercourse is essentially clumsy, and in the intervals the participants got into mischief. Their strictly penurious view led the Europeans into an error, the outcome of which effectually convinced them of the seriousness of the United States in the matter, as well as the justice of America's position. When they offered a share of the loan to America on the general principle of the "Open Door", without recognizing American right to it by agreement, the European groups laid violent hands on American interests in East Asia. The essence of America's position was that she was the possessor of rights in the loan. The offer was impossible of acceptance; the crux of the case had been reached; there was a new European discovery of America, from the West.

When, by her refusal, it was understood that this was the basis of America's determination to share in the loan, it acted as a damper upon the Europeans. They withdrew to make use of the Germans, through whom they again pressed for ratification. We were

fighting Komura, Komura and the Russian agreements with China that, with Russia, were his sheet anchor. But we did not know it.

The action of the German group was now in conflict with the assurances of the Imperial German Government at Berlin. The inconsistencies showed demoralization in the European ranks. The French disavowed German action, and the British wished it understood that they were not in sympathy with it. The assurances lately given out at Washington showed that our Government was disposed to take the offensive, and as its challenge seemed to have been accepted, the contentions appeared to have passed the confines of safety.

On June 21, the Government at Washington reaffirmed its position at the Chinese Foreign Office in the form of a protest, though it was not presented formally in writing. From the American point of view, it now seemed that nothing reasonable was to be expected of the European interests. Fully determined to participate to the full extent of equality in all loan interests in China, America had then decided upon the extreme course of appealing direct to the Regent of China, in case Chang Chih-tung, on German application, attempted to get from the Manchu throne the edict of ratification of the accomplished agreement sanctioning the loan.

Having nothing further to withhold, our people thereupon presented their minimum demand in a substitute loan agreement, identical with the accomplished loan agreement, except that, in addition to the names of the European groups, the members of the American group were incorporated, thus automatically providing equal participation for American finance in the

whole loan. It informed the European interests of the whole extent of the American Government's expectations for the American group in the loan, and for American finance in China in future. It reduced the *pro rata* shares of the present loan, and gave the Americans a place in the Hankow-Canton section of the loan, for which they had only a claim on the basis of equal right. This the European groups refused. They did so as a matter of course, and as a *sine qua non* of resistance.

The rainbow papers of European nations who engaged in the World War do not contain a greater farce than was being enacted by the world upon the China stage. And they were the greatest of the world's affairs. The press dispatches show that the correspondents were kept hopping around Peking, as well as Tokio, Petersburg, Washington, London, Paris, and Berlin. In the three latter capitals the exasperation of the financiers was hardly restrainable. On account of presuming to come into the Hankow-Canton section of the loan, America was accused of altering her demands during the negotiations. She let it be known that she desired as a basis of settlement only that American financiers should have equality of interests with other nations, not excepting those (referring to Germany and France) who had no previous right by agreement to participate in either of the railways, but nevertheless enjoyed that participation.

America's demands appeared all the more perfidious to the Europeans, because America was visiting upon the Germans, British, and French the so-called "hold-up" successfully practiced by the Germans upon the British and French. The European groups were now paying for their haste in appropriating American

rights in the Hankow-Szechuan Railway. On every side but the American, perhaps, there was a rankling conviction of having blundered, that the most important interests of the western powers had been bungled.

It seemed certain that nothing more could happen to surprise the actors in this far-eastern drama. But now they became aware that Japan was standing in the wings. Russia, the ally of France, came forward, and, on the basis of her industrial and commercial interests at Hankow, among the largest foreign interests in Central China, requested of China to be given a share in the loan on equality with all powers, in keeping with equal opportunity and the Open Door.

Leopold, the Belgian King, who held a quarter of a million dollars' worth of debenture bonds of the Hankow-Canton Railway, also came forward and presented a paper which Belgium claimed entitled her to the first right-of-loan aid for the Hankow-Canton line, and therefore a place in the loan.

This claim, while dismissed by the European groups as a "mere question of money", caused apprehension. The debentures were peculiarly worded, and were supposed to admit of a dangerous interpretation which would make them a valuable asset to a military, adventurous power — hinting at Russia? or Japan?

The affair illumined the mutations of East-West diplomacy. Some of the participants viewed it as a disheartening and unworthy wrangle, all the more mean because of the paltry sum total of the loan — promising little returns to either the Americans or Europeans. The Europeans could not see "what credit America would gain with China, who was sure to resent her interference, etc.," forgetting the principle involved and overlooking the future altogether.

At last came he who has come to be called the man in the mask. Japan had a sound right-of-aid agreement by which Japanese engineers were maintained by China for aid on the Hankow-Canton Line. Asserting her place for purposes of record as a possessor of rights of participation, she intrusted her interests to the care of her ally, Great Britain, and then dropped from view. But we began to see what it meant to fight Komura.

After this witch's scene came more toil and trouble. Numerous proposals bubbled up out of China, emanating from the European groups and governments, both of which were disposed still to fight for time. These had always the same object of preserving the accomplished agreement, and the right of the European groups themselves to mete out portions to a fourth party, as against America's contention that her right, emanating from China, necessarily excluded the services of a third party in fulfilling its provisions. The State Department, however, admitted the desirability of friendly coöperation with the banks and governments in some plan to enable China to fulfill her obligations toward America, and held itself in a position to receive any overtures they might make.

It was a humiliating situation for the European interests. In fact, the position of the European groups was impossible, but even more so was that of their governments behind them, for the reason that the loan negotiations had been conducted by the European groups under the supervision of their governments, without which supervision foreign loans, at least by France and Germany, cannot be made. These governments had sanctioned the loan agreement and were parties to the ignoring of America's rights. Their position was diplomatically untenable.

A sharp corner had to be turned in order to escape from this position and facilitate an understanding. The three nations thereupon issued a statement to the effect that the responsibility for making a friendly arrangement to satisfy the American financiers rested upon the European groups. However sincere in their object, they thus seemed to be washing their hands of the matter. In the language of the arena in Peking, Great Britain, France, and Germany elected to try to "climb over."

These tactics failed. The European groups and their legations in Peking were made irresponsible before the Chinese, with whom conspiracies were resumed. Instead of smoothing the way to a settlement, the fight was made more acute. And China sat down to watch it, only to be more closely invested by the Europeans.

Up to this moment, the Washington Government had relied, for appreciation of the justice of its contentions, upon the general understanding of friendship and good will between the two governments of America and China. It was an axiom that in whatever it might undertake in China, American enterprise started out with one prime asset — a position of favor with the Chinese Government, due, it is popularly supposed, to such acts by America as the remission of the Boxer indemnity. In fact, China has repeatedly solicited American pressure to force American capital and enterprise upon China, with the aim of safeguarding equality of right and the Open Door. This asset of favor in China's eyes had now actually been used to the utmost to stay the "Hukuang Loan." And the Washington Government still feared that persuasion from Europe might succeed with China in

defeating American demands. It looked as though China, in spite of all, would ratify the loan, and that the European governments would "climb over" and get away, in spite of America's most strenuous protests.

America seemed determined that they should neither "climb over" nor get away, and Secretary of State Knox pressed his attack to nail them in. Chargé Fletcher consulted British Minister Jordan on the subject of the influence brought to bear upon China to force her to break her agreement with America, calling attention to the serious results that would accrue from this cause in case China was led into a false position.

"Yes," replied the Minister, "I know."

"Well, I believed it best to tell you," said the Chargé, "so that, in case it came up afterward, you would know what our position was."

On July 11, the situation of stalemate was continued, when the European groups in London reconsidered the question, and failed to reach any conclusion on the subject of further concessions to America. Then opened at Peking ten exciting days in the annals of China's finance, ending in American success. Their China agents, the Peking banks, visited Chang Chih-tung and laid before him a statement to the effect that they had offered the Americans a chance to come into the loan, but the Americans had not done so.

On July 13, Fletcher discussed with Jordan the situation caused by the failure of the conference in London. And on account of the continued pressure upon China through the European banks, the foremost of which was the Hongkong-Shanghai bank, — the British concern in the loan, without whose sup-

port any influence directed at China in the matter would be virtually without effect, — Fletcher stated that the position of the Washington Government was such that the British Legation would be considered responsible for any action which the British bank took in pressing China to ratify the Hukuang Loan.

That this warning from the American to the British Government was given in Peking was denied by an official of the British Foreign Office through the press, but it is nevertheless what actually occurred.

The same representations were repeated to the head of the Hongkong and Shanghai bank in Peking, Mr. Hillier, who said, speaking for himself, that he was not doing anything.

This was our last effort to reach the Germans in their activities through the British, who were responsible by reason of their having negotiated the loan. American diplomacy was exhausted. Moreover, the reluctance of the European groups to give up the struggle showed that they had the support of their governments. In this state of deadlock, and the confusion of the Chinese Government on the question, matters were carried beyond the point of further discussion. Three months had elapsed, and China was still unable to satisfy American demands for the carrying out of the obligations of the agreements of August 15, 1903, and July 18, 1904. Continued pressure upon China by the European groups, and the situation culminated. On July 21, 1909, President Taft cabled America's final representation direct to Prince Chun, Regent of China.

The contents of Taft's cablegram were explained in the following official statement by Secretary of State Knox:

[The President] felt warranted in resorting to the somewhat unusual method of communicating direct with His Imperial Highness, Prince Chun, Regent of the Chinese Empire, informing the latter that he was greatly disturbed at the reports of certain prejudiced opposition to the Chinese Government arranging for equal participation by American capital in the Hukuang Loan. The President pointed out that the wishes of the United States were based upon broad national and imperial principles of equity and good policy in which a due regard for the best interests of China had a prominent part. He reasserted his intense personal interest in making the use of American capital in the development of China an instrument in the promotion of China's welfare, and an increase in her material prosperity, without entanglements or embarrassments that might affect the growth of her independent political power and the preservation of her territorial integrity.

This action was unprecedented. The furore created in the Forbidden City ended in the Prince Regent summoning the members of the Chinese Foreign Office, and of the Grand Council, which included Chang Chih-tung.

Outside the Forbidden City, and in Europe, Taft's action was regarded as an unwarranted misuse of executive privilege, which, in different circumstances, would have been met with executive retaliation. An attempt was put forward to draw out the personal interference of the German Emperor, a project that had some ground for success, but was reluctantly relinquished. Manila Bay was avoided. An agreement satisfactory to all parties quickly resulted. It only remained for the American Chargé to arrange with

China an increase in the sum total of the loan, so that the admittance of a fourth party would not diminish the amount of the original allotments to participants, thus furnishing a happy solution of this long and bitter contention.

Speaking of the President's cablegram to the Prince Regent, the State Department stated that "as a result of the communication, an agreement was reached with the Chinese Government that American bankers should take one fourth of the total loan, and that Americans and American materials should have all the same rights, privileges, preferences, and discretions for all present and prospective lines that were reserved to the British, German, and French nationals, and materials under the terms of the original agreement," etc., and, "after several months of continuous negotiation, the right to such American participation has been acknowledged, and a final settlement on this basis has been completed."

And what was it all about? On May 23, 1910, the Hukuang Loan was signed by the four groups in Paris. The achievement was a victory for American commerce, trade, the influence of American institutions, and for the Open Door, in China. It was a successful vindication of the principle of equal opportunity there. By virtue of it, America's position in China became a new subject of study. American commercial opportunity was placed on a par in China with that of other great industrial nations, and on account of her peculiar relation to China, America was involved in greater responsibilities there. She was the practical defender of the Open Door — she had exonerated herself from the old charge of profiting at the expense of the powers who had been the champions

of foreign interests. She was not only holding up her end in the policies which all had recognized, but she was defending East Asia and the interests of the Pacific against Europe.

But the most remarkable thing about it was that Japan never appeared in the negotiations. She remained in the background. But it carried to her perhaps its most powerful lesson, the object lesson of American capital which Japan had learned five years before with respect to herself, her integrity, her safety, and her material prosperity. It was explained to her, in the words of Taft, when he "reasserted his intense personal interest in making the use of American capital in the development of China an instrument in the promotion of China's welfare, and an increase in her material prosperity, without entanglements or embarrassments that might affect the growth of her independent political power and the preservation of her territorial integrity."

That was to Japan a challenge which neither Komura nor his successors have allowed Japan to forget, even for a moment.

CHAPTER VI

Second Line of Defense

It was a famous victory. We thought to make stable our commerce, make permanent our friendly and helpful relations with China, which were three quarters of a century old before Japan came on the map, even of the Pacific, much less of the world, and perhaps restore our merchant marine which had owed its existence to the Pacific.

Although we had a good deal to do before realizing this, the opportunitites were greater than ever before, and China herself had been waiting for years for the signs of new life in us which she now perceived. China needed what we could supply much more than we needed what she could give, for life itself was the stake to her.

There seems no reason to doubt, from what we know now, that action such as President Taft took in telegraphing Prince Chun, had it been in opposition to Japan, quickly would have led to war. Yet our Government followed up its action in Central China, as represented by the Hukuang Loan, along the same lines in the neighborhood of Japan's principal interests in China. It raised the "Manchurian question."

Foreign danger to China, and the greatest menace to the principle of the Open Door and integrity of China's territory and sovereignty, were establishing themselves

in Manchuria in the form of special rights claimed there by Russia and Japan. Through respective alliances of these powers with France and Great Britain to protect those assumed rights, the latter seemed to be crystallizing. In her struggle with the powers, China found them aligned in two groups that divided China proper and Manchuria between them. Of the great powers with which she had to contend most, Great Britain, France, and Germany were of the first group, while Russia and Japan, supported by their allies, formed the second. On the basis of an understanding with Great Britain and France, respectively, that they should be left unmolested in Manchuria,[1] Russia and Japan pursued a negative policy in China proper, and this is the reason Russia and Japan did not appear in the negotiation of the Hukuang Loan. By the same token, France and Great Britain would not appear directly in the affairs of Manchuria, where all comers would be met by Japan, who had won the upper hand by battle, and Russia. But, nevertheless, all four of these powers were the Manchurian allies, constituting the real obstacles to the principles to which America was committed in East Asia. America was in conflict with them all, and it was in their most exclusive region that America undertook measures of self interest looking to the preservation of the Open Door doctrine and the prevention of future conflicts.

Manchuria was a political tinder box. For fifteen years it had been known as the appropriate base for the conquest of East Asia. John Hay had referred to it, and the surrounding regions, as superseding the

[1] From the British-Russian, Scott-Muravieff, agreement of April 28, 1899.

Balkans in respect to the great question of the future laid upon mankind. The press of the whole world had for several years emphasized the gravity of the political situation in Manchuria, due to the conflict of the special rights of Russia and Japan with the treaty rights of other nations. China, in her treaties with all nations, uniformly granted to each all the rights enjoyed by any one. But Japan and Russia said, in effect, that special rights guaranteed by treaty, and inherent in immemorial neighborhood, were there consolidated in peaceable and in warlike practice. At this time the Japanese freely claimed that the bodies of thousands of their killed were a part of the Manchurian soil, and therefore the tenure of Japan's special rights there was secured by war and blood. The obvious meaning of this boast was this: If you do not accept this claim, bring on your guns.

America could not accept it, and though the difficulties were great, she nevertheless took steps for the solution of the Manchurian question which was threatening the existence of the Open Door policy. Before the diplomacy of the Hukuang Loan was finished, aware that the principles of the Open Door and the integrity of China would owe their survival to the outcome in Manchuria, the Government at Washington had under way, for the solution of that perhaps insoluble problem, what may be called a plan of state, of which the invasion of the Hukuang Loan was the beginning. Secretary of State Knox indicated this when he said: "The action of the government in respect to the pending (Hukuang) loan was but the first step in a new phase of the traditional policy of the United States in China and with special reference to Manchuria."

Now came the second step, the most ambitious diplomatic project promoted by America in East Asia, introduced under portentous political circumstances, as may be seen by a set of dramatic incidents. Following the Portsmouth Treaty, and Ito-Harriman agreement, the greatest problems of political, industrial, and social progress for China developed in Manchuria. In the north she had to deal for the time only with quiescent Russia; but in the south was Japan, not merely active, but aggressive, in promoting extension of her interests, principally her industrial and commercial expansion, quickly forcing Russia, as a matter of self-protection, to follow in her political, if not in her commercial footsteps, and of course involving Great Britain and France.

Came to the front many questions affecting boundaries, natural resources to be opened up, trade, and especially railways and jurisdiction. China's statesmen were never at any moment deluded: they perceived that the main issue in all this was China's sovereignty and integrity. She undertook the only consistent dealing with nations resembling a foreign policy which ever had been hers. The line of it was dictated by her situation and problem in Manchuria.

In 1905, at the end of the war, the northern terminus of her own Manchurian railways was at Hsin-min-tun, thirty-five miles west of Mukden. On April 15, 1907, Japan sold to China a military railway used during the war, connecting these two places. This was in fulfillment of the terms of the convention negotiated at Peking by Komura, with Prince Ching, December 22, 1905, to adjust the post-bellum relations between China and Japan in Manchuria. China's commissioners to negotiate this convention with Komura in-

cluded, among others, Yuan Shih-k'ai, who later became president of the Republic, assisted by Hsu Shih-chang, and Tong Shao-yi, who had been a student at Columbia University, New York. In the minutes of the convention, a reservation was made by Japan, binding China not to construct any competing line parallel with the railways of Manchuria acquired by Japan from Russia, as well as the reservation of Japan's right to be consulted regarding new railways there. But there was nothing in contravention of China's rights in the zone of her own railways, and nothing that went beyond the guarantees that had been given Russia before.

In 1907, the Manchurian government was remodeled, and a new administration inaugurated. Hsu Shih-chang soon became Viceroy. Tong Shao-yi became Governor at Mukden, and it was in this capacity that he negotiated the purchase of the railway to bring China's terminus to Mukden, and again pledged China to Japan's reservation.

Tong Shao-yi, the American student, by the very reason of his training and his political conceptions, was inevitably destined, in such a position, to enact the obvious conflict, on a scale, between Japan and America. He understood, perhaps better than any Chinese official, the importance of railways built and controlled by China in Manchuria as a foil and buffer to foreign railways existing there, which he saw otherwise were to control commerce and trade, if not administration, just as they do elsewhere. If China hoped to compete with Japan in the development of communications, and to save a share of railway power in Manchuria, a strong policy in opposition to Japan and Russia must be adopted. Means must be taken to

determine two things: First, the meaning of the Japanese terms of reservation, and second, the temper of Japan, who, in violent contradiction of her motives for war with Russia declared in the beginning, had begun to lay stress upon the fact that as a result of a great and costly war, she had expended much blood and treasure for what she now held to be the few advantages she had in Manchuria. In other words, China was faced with the problem of finding out what she herself could or could not do in her own provinces of Manchuria, without crossing Japan.

China took bold action. It was now that Tong Shao-yi arranged with the American Consul General at Mukden (Mr. Willard Straight) a plan for American capital to finance China's important Manchurian enterprise. With the coöperation of the Viceroy, he arranged with British contractors, Pauling and Company, for an extension of the Hsin-min-tun Railway northward to Fa-ku-men, and this arrangement was sanctioned by the Throne in Peking. By an oversight in the British Legation in Peking, British interests were thus allowed to appear as the antagonists of Japanese, and this the British Government had to repudiate to avoid international clashing. But the fat was in the fire.

The inadvertence of a small Chinese official in Tientsin apprised Japan of China's action, and she complained of unfairness, protesting against the construction of the line on the ground that it was in proximity to the South Manchurian Railway and parallel to it, and therefore competitive. This position was supported by Japan's ally, Great Britain, who declared that the British contractors must satisfy Japan's objections. A portion of the British

press attacked Sir Edward Grey, British Secretary for Foreign Affairs, their Government's Japanese policy in Manchuria, and the Anglo-Japanese alliance itself, but failed in any way to alter the situation. China proved by this experiment that she could not build a railway that started within thirty-five miles of the South Manchurian Railway.

In her contentions with Japan, China endeavored to get an authoritative statement from her neighbor, defining some limit of the zone of Japan's railway in Manchuria beyond which China could build railways. She failed. Although Japan laid down several plans for coöperation with China, it was always with the object of making all railway construction part of her own system and contributory to it. China thereby learned that Japan had appropriated the area of the projected Hsin-min-tun Railway into Mongolia, as well as that of the former Russian Railway, and expected to control all railway construction in Southern Manchuria and Eastern Mongolia.

Tong Shao-yi was beaten but undismayed. He began the second step in China's foreign policy. This was an undertaking to carry out at once the plan to enlist the financial aid of America. What means he took to do this is well worthy a chapter of its own in the story of conflict between America and Japan.

Some Japanese assert that the conflict between America and Japan over Manchuria was the result of the machinations of a party at the American Consulate-General in Mukden, humorously referred to in American diplomatic circles in East Asia, at the time, as the "Mukden cabinet." It consisted of the young consular officer, Mr. Willard Straight, and an assistant, Mr. George Marvin, a former teacher of Groton

School, who had reached Manchuria in the shadow of the name of Theodore Roosevelt. Besides these, there was the young and talented German Consul, Herr Metzger, as counsellor, latent, the British Consul, Mr. Willis.

But the Japanese imputation is only another indication of the delicate character of the relations that exist almost by nature between Japan, who had no money and of whom it was suicidal for China to accept aid, and America who was a friend in need. The fact is that the Chinese administration at Mukden, then newly established, needed very large sums of money for industrial and other purposes, and for railways. The Peking Government approving, it turned to the United States for help. The administration decided that China must borrow at least thirty-five million dollars American money, fifty million dollars if possible, at once, with ten times that amount behind it, and with this money introduce a new and healthy influence, not only into Manchuria, poisoned by foreign rivalries and invasion, but into northeastern China. These plans were participated in by Yuan Shih-k'ai in Peking, where a foreign policy to meet the necessities of this region, entirely different from what Komura had imagined, or desired, was worked out.

When this had been decided, but unconnected with it, our Congress restored to China a large part of its share of the Boxer indemnity, a sum almost sufficient to meet the requirements of Manchuria for administrative objects. Tong Shao-yi endeavored to get it assigned for such use.

This money is largely set aside for the education of Chinese students in America, and the expenditure of it regulated jointly by America and China. A similar

arrangement for its expenditure in Manchuria would have lashed America to the mast of Manchurian affairs, because it would have involved payments and supervision of expenditure of the same for about thirty-five years, at Mukden. By involving us in a physical capacity in Manchuria, it would have been a good diplomatic achievement for the Manchurian administration. This was an innuendo, the suggestion of which was attributed to the "Mukden cabinet." When it reached Peking, the plan was most unwelcome to the American Government, and a sharp diplomatic passage-at-arms occurred. Aside from depriving the Chinese people of the direct benefits of the remission, to which they were entitled, Rockhill, the American Minister, regarded it as a mischievous scheme for enlisting American aid, which, if carried out, would defeat the aims of Congress. America could not be hoodwinked into side issues, and it failed.

This, however, was only a *ballon d'essai*, — one of the many plans of Tong and his associates, — among whom were Liang Tun-yen, and behind all Yuan Shih-k'ai. But it was important as another unconscious answer to Komura's assertion that China objected to American money in Manchuria's railways or in any enterprise whatever. In the drama of modern China, Tong Shao-yi has been a political comet whose career in the field of Pacific international astronomy is worthy of the study of those "by gosh" astrologers who so impressively inhabit the observatories of the State Department in Washington. The most spectacular of Tong Shao-yi's acts in connection with Manchuria was the last. It presaged his exit from the stage there and was like unto a rocket's glare. Seeing that he could not get the indemnity money appropriated for

use in Manchuria, he undertook to revive plans for American aid in Manchuria, which had not been favorably received hitherto on account of disturbed financial conditions in America. They involved the Harriman scheme, the "Manchurian Bank", and other ideas which might save Manchuria to China, and safeguard China's independence and the Open Door.

In its inception, this was the whole object of Tong Shao-yi's mission, which was now devised to go to Washington, for the purpose of formally thanking America for the remission of the Boxer indemnity, though the mission was accredited to Europe as well as to America.

In June, 1908, Tong resigned his office of Governor of Mukden, and on September 24, with imperial approval of his scheme, a commission to thank the United States, with a spending allowance of perhaps two hundred and eighty thousand dollars, and with many valuable gifts taken from the Manchu ancestral palaces at Mukden and elsewhere, he set out for Washington.

Japanese observed that Tong took with him the late American Vice-consul of Mukden as *courrier de mission*, and by them this scheme also was charged up to the "Mukden cabinet." Before it left Peking, its European opponents and detractors, the Manchurian allies, along with Japan, declared the mission, the object of which was apprehended, to be a political mistake, and its failure to be a foregone conclusion. Its fate seemed to justify their worst prophecies. Its objects were wholly legitimate, praiseworthy, patriotic, and above criticism. It failed from a combination of Machiavellian circumstances so amazing that it is doubtful whether any diplomat schooled in the vagaries of Peking politics could have foreseen them, and the blame falls mostly upon ourselves.

Both Japan and Great Britain took note of the circumstances in which the mission was devised; namely, it was a part of China's first attempt at a foreign policy, and it received its encouragement from, and would depend for its success upon, the interest which American finance and the American Government were to take in the subject of China's promised development. Nothing could have been devised better calculated to show us the dangerous mines underlying international relations across the Pacific Ocean. And we were slowly becoming conscious of them.

The wrecking of China's first attempt at a foreign policy should be exposed. Headed by Tong Shao-yi, the delegation was saluted at its departure by the American military guard and representatives of the powers to whom it was addressed, gathered at the railway station. While it was in Japan, Harriman's bankers, Kuhn, Loeb and Company, of which Jacob Schiff was the head, informed the State Department that they were ready to finance the "Manchurian Bank", if satisfactory terms could be arranged.

On November 22, 1908, when Tong arrived at San Francisco, Japan was ready for him, making it the occasion to arrange with America the Root-Takahira agreement, a measure intended "to prevent misunderstandings about China." Among other things it pledged mutual confidence in matters concerning East Asia. The strain between the two peoples of Japan and America had not been appreciably reduced since the California school question had arisen two years before, and signs of friendliness with China were the last thing likely to promote that consummation, especially in connection with anything resembling a foreign policy growing up in China.

A press correspondent, Mr. Callan O'Laughlin, was instrumental in the execution of this idea, and upon the consummation of the agreement, as a recognition of his services, was made an overnight Assistant Secretary of State — the whole a typical illustration of the casual and trifling management of the most important foreign affairs by the Government and people of the United States. Naturally Mr. O'Laughlin resigned at once. Making a farce of government, in the greatest office in a republic, would have deeply humiliated the American people had they understood it. But as the matter concerned "foreign affairs" and "diplomacy", those whose attention was called to it only laughed.

The news of the consummation of the Root-Takahira agreement was telegraphed by the Japanese from Honolulu to East Asia ten days in advance of its actual conclusion, November 30, 1908, causing a great shock to China, and deranging America's own diplomacy, if it could be called a diplomacy. In the Grand Council in Peking, an inquiry was made into the basis of Tong Shao-yi's mission, by his enemies and those of Yuan Shih-k'ai, that knelled its end. Liang Tun-yen, active head of the Chinese Foreign Office, stated that the signing of the Root-Takahira agreement at such a time was a rebuff to China and complained bitterly of it as an unfriendly act on the part of America. "Why," he inquired, "could not America have waited until after Tong Shao-yi's arrival?"

The State Department cabled in haste to Peking to explain that the agreement was an additional surety of China's rights in Manchuria. We were of course then obliged to show the document to China, whom we insulted with a note accompanying the text, which

expressed the hope that China would recognize therein, "the logical outcome of America's traditional and frequently enunciated policy of friendliness to China, and her desire to see the maintenance of its territorial and administrative integrity."

We were China's host; her envoy was the national guest, and she had nothing to do but express her pleasure at our exalted magnanimity.

But rarely has "diplomacy" with us reached a more refined, if unconscious, "Oriental" cruelty than when, with all the exquisite ignorance of blundering insult we exchanged the signatures of the Root-Takahira agreement just on the day China's envoy reached Washington and became the guest of the Capital.

What did the agreement say? Its opening platitudes were rather silly. They stated a mutual desire on the part of the two governments "to encourage the free and peaceful development of their commerce on the Pacific Ocean", the determination "to support, by all pacific means at their disposal, the independence and integrity of China and the principle of equal opportunity", and "to maintain the existing *status quo* in the region above mentioned."

The important part was that referring to the "*status quo.*" In the first place in so far as "*status quo*" could exist, it had only just been set up by war, and there was no longer such a thing as "pacific means" influencing the independent and integral status of China. Therefore, Japan being master at arms, and we herein having cried ourselves without the pale, the "*status quo*" was in her hands.

What was the "*status quo?*" The only "*status quo*" respecting the objects, because of which Japan hoodwinked us into this agreement, concerned Manchuria,

which was the whole question of China's independence, integrity, sovereignty, equal opportunity, and open door. The only "*status quo*" was that contained in the Russian basis for Japan's predatory descent upon the Asiatic continent beyond Korea, and behind the Ussuri Province which predatory Russia had seized in 1860, which same basis formed the foundation for the predatory pact which, through our further blunders, she wrote with Russia later. This basis was something our State Department knew nothing about, as will be shown. Only Japan knew what the "*status quo*" was, and she wouldn't tell. There was no other thing by which to identify anything resembling "*status quo.*" The use of the term was a reflection upon our intelligence. At the time the agreement was signed, it had been fourteen years since anything definable as "*status quo*" had existed in Manchuria — not since the Japan-China War. Manchuria was a word expressive of flux, and its status flux was now that of Japanese aggression. This was not a thing Tong Shao-yi wanted. China didn't want it; she was fighting it, as for life itself. She was seeking a safeguard and a remedy. She wanted to ward off just what has come to her, hurried on by our ignorant and supine pandering to Japan. In the Root-Takahira agreement we washed our hands, in platitudes insulting to China and to our own honor, of everything but peaceable defense of our great doctrine of the Open Door, equal opportunity, integrity of territory, and sovereignty in China. The Root-Takahira agreement gave Japan an open road. It was a piece of hopeless insanity by the American State Department. "Nobody home" is a charitable absolution of our Government for that act. Why should we sign Japan's agree-

ments? Are we the aggressors in China? Was it our Government that threatened the Open Door, the integrity — sovereignty of China? The Government of the United States did not know what the Root-Takahira agreement meant. But with a grand air of superior wisdom it explained it to China. Oh, yes, we told *her* what it meant.

The "god of Heaven" who had long dwelt with Japanese arms seemed to the Chinese to have set his seal on the banners of Japanese diplomacy. Our explanation was never accepted by China. Yuan Shih-k'ai, who was sponsor for the mission, had many enemies at court, and was now finally discredited and later was dismissed. In the meantime the great Empress-Dowager and Emperor died, furnishing the occasion for Tong Shao-yi's recall. America made a belated, guilty, and strenuous effort to save Yuan Shih-k'ai, enlisting in the attempt Great Britain, who thought that Japan was going too far in breaking down Chinese initiative and effort at self-preservation, but failed. Tong retired, and for a year and a half remained in seclusion, as did his elder, Yuan Shih-k'ai, so humiliated that he refused to see visitors, including Americans.

After the State Department's gropings after nothing, and getting much less, from Japan, in the Root-Takahira agreement, it devolved upon us to take the initiative and organize our defenses of the Open Door. We were the last of the powers to wake up, and we found we had drawn fire from them all, either in South China or North.

What was it all about? Harriman had shown that both Japan and Russia were striving, each for a *modus vivendi*, in Manchuria and Mongolia. Although the "war party", or an aroused general patri-

otism in Japan, had made it impossible to realize the plan of the Ito-Harriman agreement, the Japanese-Russian "sphere" was susceptible to some plan for its development. And the protestations of Japan still led our Government to believe that the Open Door would have a place in shaping its future.

As to China, she now learned from Tong at Washington of Komura's action three years before that terminated the Ito-Harriman agreement, and, thoroughly disillusioned by the Root-Takahira agreement affair as to the existence of any special patriotic sympathy or bond of common defense against predatory nations, which she could tie to, China recognized that she was back again at her beginnings. As for us, we simply saw that we would have to do John Hay's work all over again.

We now had physical rights in Manchuria. Although Japan, backed by Great Britain, had vetoed China's plans for developing China's railway beyond Hsin-min-tun, we had other joint enterprises with her which could not be justly claimed to transgress Japanese interests or prejudices. And there seemed a definite and agreeable possibility remaining to China, notwithstanding the default of the Ito-Harriman plan, of neutralizing, jointly with the powers, the foreign railways in Manchuria, especially through the coöperation of neutral American interests whose political motives none could suspect.

This was a time of vast conceptions in relations across the Pacific, inspired by the deeds of Japan, by the great ideas left by Mr. Harriman, by Jacob Schiff, and President Taft, as well as men of other countries concerned. These ideas were shared by a number of powerful American statesmen and financiers.

The plan of the American Government, which had been developing through the loan complications in China proper and by the demands of China, was working itself out, and America took the initiative. With a view to the practical solution, for all nations, of the Manchurian problem, in which was involved a large American trade which we were endeavoring to protect and expand, our Government proceeded to enter Manchuria through the medium of physical interests, as it had entered China proper.

Our ability to enter Manchuria with physical interests, precisely as was the case in China proper, depended upon the circumstance of a previous arrangement. And, as in the case mentioned, we had such assets with which to begin. On August 11, 1908, the administrative Government at Mukden had made an agreement providing for the use of American capital amounting to one hundred million dollars for a "Manchurian Bank", and the building of a railway extension from Tsitsihar to Aigun, in Russian-Manchuria, completing a line to Tsitsihar from Kinchou on the Gulf of Chihli, the construction of which she had assigned to the British contractors, Pauling and Company.

China was anxious to promote measures that would bind together the two parts of Manchuria, claimed as special spheres by Russia and Japan, so as to insure regard for the rights of all nations there, thus also securing safety and opportunity and a future for herself there. As our agreement was negotiated through the American Consul General at Mukden, who visited the region of the proposed railway, and whose movements were reported to both the Russian and Japanese legations in Peking as being in connection with the investigation of the traffic at Aigun, especially in cat-

tle, that might be diverted into China, both Japanese and Russians later raised the cry, "Mukden cabinet!" Russia claimed the road was intended to capture the whole winter traffic of the Amur.

But regardless of obstacles and the misgivings of the prophets of calamity, American effort went on. While the attention of the world was focused on the fight over the two railway loans in China proper, Mr. Harriman was still intent on his scheme for a transportation belt line of the world. In December, 1908, he had negotiated with Russia's agents respecting control of her Manchurian railway. In June, 1909, while Manchurian schemes were otherwise in abeyance, Harriman, in Paris, discussed with Mr. Noetzlin, head of the International Wagons-Lits which had a leased railway service to Peking, the Kinchou-Aigun Railway scheme, which had been described to him by Mr. Straight in Switzerland the year before, when the latter carried home the memoranda of his investigations and agreements, and which was being fostered by Kuhn, Loeb, and Company. Harriman sounded Noetzlin on the possibility of organizing an international syndicate to buy up the Russian line in Manchuria, and Noetzlin went to St. Petersburg and discussed it with M. Kokovtseff, Minister of Finance. Kokovtseff had arranged for an agent to meet Harriman in Vienna to consult about the plans, but Mr. Harriman was then ill and was advised by the specialists whom he consulted in Vienna to return home and make a final settlement of his affairs. Kokovtseff, who was pleased, after long efforts, to find a prospective purchaser, agreed to promote the proposal by recommending the sale of the line as soon as he had visited East Asia, which he was about to do. And

Noetzlin in August communicated these facts to Harriman at Paris. On September 9, shortly after reaching New York, Mr. Harriman died, and the future of the plan fell to others.

After the affair of the Hukuang Loan, when contentions had reached a state of deadlock, absorbing the attention of the powers, Kuhn, Loeb, and Company, possessing the Tsitsihar-Aigun agreement joining its rights with those of the British contractors, Pauling and Company, October 2, 1909, signed with them and with Hsi Liang, the new Viceroy of Manchuria, a preliminary joint contract for the Kinchou-Aigun Railway.

Notwithstanding the misgivings and recriminations from Japan, this neutral enterprise carried railway development in Manchuria entirely outside the zone of the Japanese Railway and of Japanese vested interests, outside the war zone, and into Mongolia. America was to furnish the money. In addition to traversing no vested interests of Japan, it provided for beneficial development of Manchuria to the advantage of all concerned, and carried forward the basis for neutral interference in Manchuria.

For ten years the Government of Peking had considered every possibility of continuing northward China's railway outside the Great Wall, finished to Hsin-min-tun in 1902, which this scheme now solved. When the American banking group interested itself, the ground was all prepared. Na Tung, Chief Minister of Foreign Affairs for China, when approached respecting the execution of this scheme, said significantly: "Of course I can do nothing in the matter. Hsu Shih-chang, Minister of Communications, is the one to see first."

One after another stood aside for the project to go forward — a form of comment on Komura's understanding of China which had become painful to Japanese. When Hsu Shih-chang, who had been called from Mukden to Peking, was approached, he made precisely the same reply, and referred the agent of the American banking group to the Viceroy of Manchuria, Hsi Liang, who, he said, was the one to take action, since he was the only official who could bring the matter to the attention of the Throne.

Within three days the contract was signed at Mukden. From the outside it looked as though there was a hand-in-glove confederation of Chinese and American schemes in these plans, with an underlying idea of embroiling Great Britain with Japan in Manchuria, for the benefit of America and China. On the contrary, the combination of American capital and British engineering was seeking an area for legitimate operations, guaranteed by the Portsmouth Treaty and many other conventions.

They did not have everything their own way with China by any means. The parley with her showed her to be still a difficult bargainer. The Japanese had already once balked this enterprise in the form in which it first came up. But the need of signing before the opponents of China's policy could interfere, could not deter Hsi Liang from haggling, despite absolute orders from Peking, which had its plans clear and knew what terms it wished to accept. Almost at the last moment he made a counter-proposal to the terms offered by the American banking group and Pauling and Company, and held the negotiations up. He twice sent deputies to the agent of the American group after submitting his counter-proposal, and com-

plained that his terms must be accepted, because he had telegraphed to Peking that he had signed them. If the American agent did not agree immediately, he would forfeit his office.

The American agent retorted that, as the Viceroy had changed the only conditions which the American agent had authority to accept, he could not sign. Moreover, he had himself telegraphed to America his intention to sign that very day, and was in precisely the same predicament as the Viceroy — he, too, would forfeit his place if he did not sign. Both "saved face" in the end.

These native officers deserved high respect for their efforts in behalf of China. They took no light responsibilities. Though rated by America and China as an unenlightened, unadvanced official of the old school, Hsi Liang was a man of courage and considerable dash — saving the violence to immemorial Mandarin dignity. He appreciated China's helpless situation and her need of American capital, of which none could have any fear who had no unjust designs. He executed the wishes of the Peking Government in a manner faithful to his lights.

China was acting with better foresight and decision than she had ever before displayed. What was shown, in her acceptance of American and British aid in a long-cherished scheme for a northern railway, to be China's unprecedented avidity in adopting modern measures of self-defense, confirmed the existence of acute Japanese and Russian pressure investing the Chinese Government in Manchuria.

The project, in relative importance, was nearly double that of the Hukuang Loan. It was the most ambitious enterprise of industrial China. Its po-

litical importance was even greater, as will be shown by the political retaliation provoked from Russia, Japan, France, and Great Britain. Europe and the world at once loomed up on our west as before. All the great powers, — Japan and Russia and their respective allies, — whom America had or had not provoked in China proper, were now challenged in Manchuria.

America now saw enrolled among her antagonists such world figures as M. Izwolsky, the foremost diplomat of Russia, and the embattled Minister of Russia's maligned and disparaged Foreign Office; M. Kokovtseff, who, as Minister of Finance, was a more powerful officer of state than Izwolsky; M. Korostovetz, Russian Minister at Peking, and the intrepid scout of Russia's second new Eastern Empire; Prince Ito, perhaps the greatest Oriental since Confucius or Genghis; Marquis Katsura, the premier and head of the "war party" in Japan; Count Komura, Minister of Foreign Affairs and the genius of "Greater Japan"; and M. Ijuin, the glorified consul and clever Japanese Minister in Peking. What we had now done had engaged us with all the great powers, even Germany, though she had less at stake than the others.

The "Kinchou-Aigun Railway" was recognized by these powers as an alternative scheme to that of the Hsin-min-tun-Fakumen project. Whereas the Hsin-min-tun-Fakumen project had antagonized only Japan, this assailed all the Manchurian allies, and the mêlée was on, greater than that over the Hukuang Loan.

Russia and Japan appeared almost to spring together, owing to practically identical action, which, however, originated from different motives. On October 12, 1909, M. Ijuin, the Japanese Minister, formally

notified China that while not intending to obstruct her plans, Japan would yet maintain her right to be consulted regarding projected railways in the region of Japan's railways in Manchuria. While not claiming the right to veto this railway, Japan reserved her decision regarding subsequent action — a diplomatic warning. In this way she stepped aside to allow Russia to come forward.

Russia followed with similar representations regarding the Russian sphere in Manchuria and Russian frontier interests, complaining that China had not consulted Russia in the matter. The final blows of this trip-hammer-like opposition were felt by staggering China when the respective allies of these powers, Great Britain and France, sent their representatives in February to make "friendly" representations, "advising" China not to proceed with the Kinchou-Aigun Railway without considering the wishes of Russia and Japan.

The difficulties of having her own state policy, and of taking vital action in her own behalf, which these great powers had so often urged upon her, were now illustrated by them by smashing blows in the face.

Japan, who was only resting on her ever-ready arms, was instantly on her feet and in the arena. Ito, now a prince, had officially forgotten the agreement with Harriman, and had become as faithful a servant of Japanese expansion as he had been a loyal opponent of it. Simultaneously with the signature of the Kinchou-Aigun contract, he became the imperial envoy to meet M. Kokovtseff, Russian Minister of Finance, to discuss at Harbin the intentions of America, and to prevent neutralization plans for Manchuria, and reach a broader mutual understanding with

Russia — an object which Japan had indefatigably pursued ever since Komura had returned from Portsmouth.

Russia, who in 1906 had sounded the prospects of selling her Chinese Eastern Railway, and in 1908 a second time had opened negotiations in New York for disposing of it, had for four months in Wall Street been offering it for sale. Kokovtseff was the promoter of this activity, and Russia was therefore ready for any proposition respecting her railway in Manchuria and her interests there. On October 26, 1909, Kokovtseff was at Harbin to receive the proposals of Ito when a Korean assassin murdered the latter on the platform of the railway station before any understanding was possible. A grewsome note was thus struck by that strange race, the Koreans, who were themselves darkly opposing Japanese advance on the continent.

Japan, Russia, Great Britain, and France had now placed themselves against the joint Chinese, American, and British railway enterprise, and China, overawed, was looking for some miraculous escape from her dilemma.

The Department of State was in better working order at this time, being aware of its opportunities, keenly alive to American interests and to the importance of doing everything to avert future wars in China. It was busily engaged in keeping up with American enterprise, and, aware of many of the obstacles which the American banking group would encounter in its railway project, it laid out the *tour de force* of its diplomatic plan.

The preliminary agreement for the Kinchou-Aigun Railway, signed October 2, 1909, officially remained a

secret. But on the basis of this agreement, together with the proposals of Russia to sell her railways, the restlessness of Japan in connection with the matter, the Ito-Harriman agreement, the anxiety of China, who herself had proposed to purchase the railways in Manchuria, and other facts and circumstances, the American Government, just before Christmas, 1909, formally proposed in terms to the great powers the neutralization of all Manchurian railways by purchase and restoration to China, the purchase to be carried out by means of a loan subscribed by the powers.

This grand conclusion of America's plan contemplated the largest financial transaction in China since the levying of the Boxer indemnity of three hundred and thirty-four million dollars. It was the biggest political proposition in East Asia since Japan's late reduction of Russia's eastern or Manchurian empire. It more or less defined the whole idea of the American Government as to what was then necessary in order to safeguard the Open Door and integrity of China, to which the powers all had subscribed. It met the fighting struggle for life of China's foreign policy, and her awakening efforts at self-help.

The idea was so brilliant that it dazzled the powers, especially Japan and Russia, who thought it the mask of some deeper scheme. It completed Secretary of State Knox's diplomatic plan which he explained January 6, 1910, when he announced: "The proposition of the United States to the interested powers, looking to the neutralization of the Manchurian railroads, discloses the end toward which American policy in the far East has been recently directed."

Our proposals were characterized by expediency,

safety, economy, and humanity. They were wise, practical, statesmanlike, and timely. They were original as an economic measure for the cure of political diseases, and so exactly suited to draw out and determine the trend and blend of international influences, the strength and dimensions of alliances, the direction of international ties in East Asia, the relative strength of Asiatic and European opposition to the Open Door, the possibilities of our Euro-Asiatic problem in the Pacific, and world forces present on our western frontier, that perhaps no better means could have been employed had that been our purpose. Their effect was that of showing clearly all the opponents and all the opposition to the principles to which we were committed in East Asia, and upon which depended the welfare of American interests in China.

On January 5, 1910, the proposal became public. The governments to whom it was addressed then replied. Great Britain and France, being allies of the Manchurian powers, Japan and Russia, and having no right of interference, agreed with the proposal in principle, and at once intimated that political and other obstacles must be taken into consideration before aid could be rendered to make it effective. Germany, though friendly, enacted the part of caution and replied in a similar manner.

Followed blow upon blow. Britain not only refused to join in promoting the neutralization plan, but later refused to support China in sanctioning the Kinchou-Aigun Railway contract. On the contrary, it was opposed. Sir Edward Grey, Secretary for Foreign Affairs, when appealed to in behalf of these efforts in the interest of the Open Door, to which his country was pledged, said regretfully: "I can do nothing."

Count Hayashi, late Minister of Foreign Affairs of Japan, characterized the American proposal as a scheme for confiscating Japanese interests in Manchuria. Viscount Aoki, the venerable ex-Ambassador to Washington, shrewdly observed that our proposal was "a case of the guest preparing the bill without consulting the hotel-keeper." (Our interests in the region antedated those of Japan by many years.) This was because America had not consulted Japan beforehand. Baron Goto, Minister of Communications, said the proposal was "nothing new", an observation that referred to the Ito-Harriman agreement and later proposals from Russia, China, America, and other quarters. He added that it would be unpatriotic for Japan to accept it. These were the same words with which the war cabinet of Japan, when it had adopted its plan of expansion on the continent, had disposed of the Ito-Harriman agreement after Komura's return from Portsmouth.

The Japanese press and many government officials cried patriotism, and invoked the shades of the thousands of Japanese heroes who had given up their lives on Manchurian battlegrounds. Japanese expansionists, doubtless totally ignorant of the origins of the proposal, were outraged and behaved like caged tigers. Japan virtually answered America that it was for the South Manchurian Railway, — which, by the way, under the signature of Ito, Katsura, Inouye, and others, she had agreed to negotiate for cash, — that Japanese blood and treasure had been expended. Secretary of State Knox, replying to this, said laconically, that he "had always understood it was to punish Russia for closing the Open Door."

M. Korostovetz, Russian Minister in Peking, dis-

closed Russia's perturbation by the inquiries: "What is America's whole policy?" "How far will America go?" It was not entirely clear to each individual nation affected what were the whole grounds on which we had acted. Russia feared Japan, and could not tie to America, who offered no explanation, gave no security, and therefore, as she thought, deserved no confidence. She feared, in fact, that this was only another emanation from the "Mukden cabinet." The final Russian touch in destructive criticism came from Russia's press when it characterized the proposal as "a fantastic project of the imagination of promoters and contractors" — language referring to the dashing American banking group and the insurgent British contractors, Pauling and Company. Russia had not been able to sell to Harriman because the man had died, nor to another buyer because she had not previously found one.

European financiers, who had accepted the spirit of fair play enforced in China proper by the Hukuang Loan dénouement, and were anxious to keep commerce as clear of diplomacy and politics as possible, were prepared to support a plan so disinterested, and went so far as to say that Secretary Knox had laid out the way which development in China must follow.

The anti-Japanese press in Great Britain approved the proposal, and many Britons who had lamented the destructive effect of the Anglo-Japanese alliance upon Great Britain's integrity regarding equal opportunity in China shared the view of a leading paper that America was "the only Western country able to look China in the face without the blush of shame."

The best foreign sense was just the opposite of that at home, where "muck-raking" journalism and a hatred

of the "money power", expressed in such terms as "dollar diplomacy", were leading the public to a political campaign waged on the issue of the trust and corporation evil. And it then was played by the organized and subsidized Japanese propagandists and their American clients, among whom it is easy to win sympathy against "Wall Street." What was taking place was the live, fiery substance of future Pacific history-making events, molten in the crucible and waiting for the shock that must give it shape.

The heat of these frictions could not cool with the important results that followed. Japan and Russia were yet to deliver their replies, which it was evident would be cast by Japan. And by this time there was not much doubt as to what they would be.

On January 20, 1910, Japan informally notified China that Japan and Russia would concertedly decline the American proposal. China's participation in this measure, she said, was in the nature of an unfriendly act toward Japan. One of the lesser secretaries of the Japanese Legation in Peking was the bearer of these important representations, a slight at which the Chinese were much humiliated. In their embarrassment and fear, they were at first disposed to reproach the United States for what seemed to them to promise no advantageous outcome. Sdeath! had we not signed the Root-Takahira agreement in her absence and now done this thing that concerned her more than any one, lone-handed?

Considering the array of forces against them, however, China's ministers continued to exhibit both courage and purpose, and stood by their infant foreign policy as well as by America's plans and efforts. They awaited America's next move, which did not transpire.

Further information from the American Government was also lacking. Unfortunately, it had nothing to give. Moreover, an embarrassing discovery was made. Russia and Japan, supported by their allies, had severely scrutinized the action of America in seeking the neutralization of their railways by restoration to China. Especially after the obvious failure of the proposal, they made the most of its defects. Among other things they noted that America, an outside power, lacking established railway interests which alone could give her an equal voice in railway questions in Manchuria, and lacking any share in their own railway holdings, had held them up to the world in a scheme for the disposal of those holdings. They noted that the preliminary contract for the Kinchou-Aigun Railway, which was America's claim to railway interests which she had to offer in the scheme of neutralization, was an incomplete document, in that it had not been specifically ratified by the Chinese Throne. This was true; it had been ratified only as a part of an omnibus scheme for general Manchurian development, and without specific ratification, such agreements in China have never been held to be valid. Upon the validity of this agreement, America's entry in a physical capacity into Manchuria, giving her a right to consideration, rested.

As a matter of fact, the American Government had been misinformed. It was under the impression, when the Knox proposal was made, that the provisional contract had been ratified by the Chinese Government. The Manchurian allies had marshaled their whole opposition to prevent China carrying the Kinchou-Aigun plan further. Came another sharp fight. Britain, endeavoring to restrain Pauling and Company,

opposed its ratification on her own behalf and that of Japan, for the quietude of Manchuria at all costs. The whole burden of our "plan of state" now bore upon this point. The responsibility of overcoming opposition devolved upon Mr. Fletcher, our Chargé at Peking, who had carried through the Peking end of the Hukuang Loan diplomacy by which America had gotten into China proper. China had acquiesced in America's plans, but now that they had been repulsed, China was unwilling further to risk displeasure from the powerful Manchurian allies. Fletcher, however, convinced China that imperial sanction to the Kinchou-Aigun contract was as necessary to China's integrity and dignity in the matter as to America's position, and on January 21, 1910, despite nearly invincible discouragement of the Manchurian allies, China issued the necessary rescript of ratification. Thus America was saved from a moiety of her awkwardness.

On January 22, 1910, upon the heels of this rescript, and in accordance with representations made two days before by both Japan and Russia, these two powers formally rejected America's proposal. Our efforts in common interests, equal opportunity, and the Open Door had vitally failed in the most important theater of international conflict in China.

Seldom, in Peking, had there been such perturbation in our affairs. We were aghast. China was aghast. Liang Tun-yen, the principal officer of the Foreign Office, asked what we were doing. What could we say? China had seen the plan and approved it, as had Tong Shao-yi a similar proposal in Washington in 1908. But she had no connection with its diplomacy. We left the greatest factors out of consideration. Russia's coöperation was the one essen-

tial, and all signs promised it. At St. Petersburg was Ambassador Rockhill, considered by John Hay our greatest diplomat, next to Henry White, and by far the best American statesman in Asiatic affairs. Knox ignored them both. One reason, there was no co-ordination among our forces, — between our bankers and State Department and with China, — however blamed they were for conspiracy against Japan. The State Department apparently didn't know what Kokovtseff's relations with Harriman and Noetzlin had been, and that he had recommended the sale of the Chinese Eastern Railway on his return from Harbin. If it did, it ignored the fact in its desire to support China in her Kinchou-Aigun Railway scheme. It consequently divided its proposal into two parts. And this was where Rockhill came in. When the two propositions reached St. Petersburg he saw that, as has been pointed out by an English writer (Mr. J. O. P. Bland), they formed "a diplomatic *gaffe*." They offered Russia two things in Manchuria: either neutralization of existing railways, or international co-operation in China's proposed railway. There was in this an apparent implication that Russia and Japan were violating the Portsmouth Treaty in that, as the two things were placed in the same category, failure to accept either one or the other would be an admission of obstructing China in her measures to develop commerce and industry in Manchuria.

Having no instructions to the contrary, Rockhill, seeing the pitfall, used his discretion and first presented only the Russian and Japanese railways feature of the scheme. It was presented as a whole in London, Paris, Berlin, and Tokio, however, and when Russia learned this, she sent orders for inquiries to be made as to

what our whole aim was. But as there was nothing to say, all the Manchurian allies were mystified, and the proposal lost weight.

We failed on the same count as in the Root-Takahira agreement, and as in that, we ended in playing the other fellow's game. But we didn't know what had killed the Ito-Harriman plan, and why it was we couldn't take Japan's continued pre-Komura consent and Russia's continued performance of trying to sell out, for granted. Our intervention in Manchuria confirmed the fact that we no longer had any exclusively Asiatic problems, that all problems in the Pacific area were world problems, and that we had been dealing throughout with the confederacy of Europe and Asia. But we were nevertheless producing epoch-making results. American enterprise, inaugurated by Harriman, Schiff, and others, and American diplomacy, promoted by President Taft and Secretary of State Knox, achieved definite results.

First: The effects of the invasion of the Hukuang Loan by America freed France from the obligations of a financial agreement of 1903 with Great Britain, whereby her participation in enterprises in the Yangtse Valley, Great Britain's sphere, was a concession from Great Britain in return for participation in the French sphere, and made her an independent competitor. France, Germany, and America were established in the Yangtse Valley and throughout China proper on the basis of equal opportunity. German, Russian, Japanese, and all other competition was legitimatized.

Second: America's action secured for her a commercial and political position in Manchuria under the policy of equal opportunity and the Open Door on

the basis of physical interests similar to that obtained in China proper.

Third: It confirmed in the minds of the rulers in Peking the possibilities of a foreign policy for China and the dependable support of the American Government.

Fourth: It cleared up, to a large extent, the situation growing out of the Russian-Japanese War by discovering the true positions of Japan and Russia in Manchuria, and to an extent uncovered their plans so that the world knows where the Manchurian allies and all the other powers stand.

Fifth: It furthermore showed that America and China were bound together more or less by the same considerations which had previously bound America to Japan: first, by common recognition of the necessity to China of independence, integrity of territory and jurisdiction, and freedom of development in trade, to the promotion of which America is committed; and second, by reason of common rewards and rebuffs sustained in defense of the interests of both countries. America in two years had completed her formal entry into China according to conditions established and recognized by the powers. Her action supplied the desired basis for equality of American commerce and trade and the influence of American institutions in East Asia.

Sixth: It gave foreign affairs in their largest sense to the American people by showing them to be, by tradition, principle, precedent, training, inclination, and policy, in direct opposition to the Empire of Japan which they introduced to the world, and to whose people and interests they ever had been friendly and protective.

CHAPTER VII

Third Line of Defense

The situation of China has often been described. But it never has been so illuminated as by the glare which the spotlight action of the Government at Washington was throwing over it. The revelations were disheartening. China was prevented by the Manchurian allies from taking measures protective of the rights of all the treaty nations and preservative of Manchuria, as well as Mongolia, to China.

But notwithstanding the opposition, under Japanese leadership, America kept on with her enlightening work, using her own peaceful implements of financial and industrial enterprise as against politics and arms. She was blundering in the dark, but as long as she was striking fire it was worth while keeping up her leap. Taking a lesson from the revelations in Manchuria which it had caused, the State Department turned its hands (and feet) to the improvement of certain things of China in general, the benefits of which would be common to all and which the most recent treaties of all the great powers with China had stipulated as an obligation placed upon China to carry out.

As expressed in the American-Chinese commercial treaty of October 2, 1902, furnishing the basis for what the Government and capitalists of America were about to do, China agreed to adopt a uniform

currency to improve trade. China's modern development turned on the question of currency. Upon currency depended the growth of China's credit. With nearly all her natural resources undeveloped, China's greatest need was money, and this need was made acute by the imperative necessity of reform, as shown by the situation which American action had uncovered. China was potentially wealthy, but its Government, especially since the Boxer War, had been practically penniless and insolvent. It was regarded as a question only of time until China would be bankrupt. In such a case, on account of her debt to Europe, ever increasing, she would have to surrender her finances to the management of a board of control of European financiers, representing the capitalistic countries of Great Britain, France, and Germany.

Special policies for China's protection and safety such as are embraced in the Open Door doctrine, would be endangered by this, and if America relapsed into traditional disinterestedness, the forces threatening to break up China would operate in spite of the Open Door doctrine. Neither financial control nor the break-up of China was wanted by the great powers. But the only visible chance of averting these calamities seemed to lie in America's anticipating the capitalistic powers of Europe in this by an effort to unite all foreign financial and commercial interests on lines of mutual advantage and welfare. The reform of China's currency, in order to bring about industrial development and trade improvement, involved the creation of financial order. This called for reform in government administration, which required money. The survival of China depended on China's having money at once and properly managing it.

This was the primer of Pacific politics when the World War was germinating. America was forearmed for the undertaking presented by this opportunity. In September, 1903, President Roosevelt had sent Jeremiah W. Jenks, as a special commissioner, to confer with the Chinese Government regarding the introduction of the gold standard into China. China was approachable, but obdurate. Since John Hay, three years before, had arrested partition of China by establishing among the powers the doctrine of the Open Door, China had carried on a dramatic struggle of peculiar Oriental economic and political strategy against the modern science of money and commerce — a set fight with the money power of Europe. She then began her own efforts at financial reform, but every detail of her struggle was without success. She ignored the currency, and in 1906 founded the Board of Revenue Bank. According to her views, she was now prepared to finance her own loans, but was without money, collateral, or national credit. Wrongly directed, her efforts to raise loans and reform finance were bound to fail, and a procession of the foremost officials surrendered the presidency of the Board of Revenue, one after another. The Empress Dowager approved a stamp tax, devised by Yuan Shih-k'ai, but rescinded it the day following, out of fear that an attempt to enforce it would excite disorder.

Advanced Chinese saw that nothing was being accomplished, and in 1908 the Empress Dowager supported the policy of affiliation with America, inaugurated by the sending of Tong Shao-yi to Washington to present China's thanks for the remission of the Boxer indemnity, and to get loans. The formation of this mission was accompanied by the adoption of a

silver standard and uniform coinage. All shared the fiasco of the mission.

Strange to say, China's credit steadily rose, owing to European competition for interests in China, accelerated by American effort to get firmly established in China's industrial development. At the same time it further alarmed the foreign bankers. Foreign governments became anxious over the doubt raised by them as to China's solvency, and China became alarmed about her own safety on account of the influence in the country of European finance, which had become the instrument of foreign power, formerly wielded through "spheres of influence" agreements. "Spheres of influence" had changed to "financial spheres", geographically defined. China needed no hint from non-capitalistic powers like Japan, and even Russia, to apprise her of this.

China became highly agitated, and in December, 1908, the "National Debt Association" was formed by Chinese at Tientsin to pay off China's debt to predatory Europe and save the country. This plan to save China from insolvency attracted foreign attention, as showing China's intellectual bankruptcy: she had no financial experts. It enlisted universal support. The Government, which was looking for a miracle to save it from default, indorsed the scheme; it was approved by the Prince Regent, and by thirty-two native chambers of commerce, collected considerable funds, and collapsed.

Sir John Jordan, British Minister at Peking, speaking for Europe, assured China that the powers were not intending to assume control of the finances, but cautioned her to devise fiscal remedies. Foreign financiers were justly apprehensive and tendered anx-

ious counsel. British, French, and German bankers affiliated for mutual protection, and to withstand the crisis.

In 1909, failure reached full headway. A report that the powers were about to take over China's finances and partition the Empire swept the provinces. Viceroys and governors, fearing the Manchu Throne had been suddenly overawed by the foreign legations, telegraphed to inquire of the Government what had happened. Suspecting another Japanese political trick, with the possible connivance of the other non-capitalistic country, Russia, China telegraphed its ministers abroad to trace the origin of the report. British interests came forward with a proposal for a British financial adviser from the Indian service, and China was obliged to deny to several nations any intention of engaging such an adviser.

China's alarm about herself was followed by fear of the consequences of foreign alarm, to satisfy which she attempted to devise a budget. Duke Tsai Tseh, Minister of Finance, unable to audit or control expenditures, resigned. The Throne refused his resignation, and then came the most desperate and futile measures of all. First, in defense against affiliated foreign finance and increasing want, China addressed the powers, asking for an increase of her customs rate on imports, which had been one of the issues with Europe and the world delegated to Tong Shao-yi. Although she prepared to abolish internal restrictions on trade, she was unprepared to reform the currency, also required by treaty, so that the powers were precluded from agreeing to increased duties.

China then, on November 13, 1909, tried to reimpose the stamp tax with stamps expensively made in

America, and which had lain unused at least two years in the Board of Revenue at Peking. But popular opposition, and the veto of fifteen of the nineteen provinces, prevented its execution. She made a futile attempt to force a domestic loan by distributing the bonds pro rata to her officials. Nothing happened. Viceroys and governors ignored the call for financial reports. Recreant, they refused to be coerced, and the Board of Revenue had to send commissioners to make provincial investigations. These were opposed. Duke Tsai Tseh denounced many provincial authorities and impeached the treasurers of six provinces. He issued modernized banking laws, and undertook correction of the unauthorized issue of about ten million dollars' worth of paper currency in the Yangtse Valley, to which for a year the foreign ministers had been calling China's attention, and which had become an obstacle to commerce.

By December, 1909, the Board of Revenue was in a state of collapse, overwhelmed with suggestions from all over the Empire, culminating in 1910 in sweeping recommendations by the two foremost viceroys, who urged the borrowing of millions, the building of trunk line railways in all directions within the coming decade, and the carrying out of the nine years' reformation, that had been proclaimed by the Empress Dowager, otherwise China would default. The success of railways in the development of America was given in support of this recommendation.

Europe and its Asiatic ally, Japan, had brought China to something of a nervous breakdown. Her situation was a matter of the greatest consequence to us. We had always recognized a pathological tie with the greatest detached body of the human

race, that confronted us on half our frontiers, and we could not remain insensible to its demoralization by outside forces, nor hold aloof from efforts to control them. The future of the Chinese race, closely allied with the destiny of society in America, was a fact burned into us by the exclusion question and other questions. There was a strongly expressed desire in this country that China should triumph in modern civilization and government, and extend her matchless social and human experiment continuous from the remotest times, unbroken — be a pillar of the earth rather than a lost world pouring out of her floodgates upon nations like our own. While we were attempting to forestall the lightnings and the storm, China was shocked by more political developments. On July 4, 1910, as a result of the startling diplomacy of America for two years, especially that looking to the neutralization of railways in Manchuria, Japan secured the signature of Russia to an arrangement excluding outside interference in Manchuria. Later came Japan's annexation of Korea and subsequent renewed encroachments in Manchuria, which long before had superseded the Yellow River as "China's sorrow." On September 20, 1910, under the great light from without that now beat upon China, Duke Tsai Tseh, in an audience with the Prince Regent in the Forbidden City, confessed the default of all efforts and plans for financial reform, and asked help in effecting reorganization of the Imperial finances, otherwise he must resign.

Everything showed how timely was China's struggle and how urgent was our aid. China was face to face with the powers. In 1902, she had covenanted with them to reform her currency and failed to do so. In 1906, she adopted a nine years' program of reform and

started out to be a great power, without any banking or fiscal system, without finance, without a real currency, and practically without a national income. For three years, she had her ministers abroad and others feverishly working on financial reform, especially her Minister in Washington, Chang Yin-tang, who held half a dozen conferences with Jeremiah W. Jenks. But in 1910, without having remedied any of these fundamental defects, she faced her first reform crisis, that of foreign intervention in her finances.

Chang Yin-tang received secret orders to suspend his investigations. China had been visited by overwhelming recognition of defeat in a lone effort to create a currency and fiscal system. She was practically helpless before the European capitalistic allies, as in 1900 she was helpless before the military allies. It had taken the capitalistic powers of the world, — Great Britain, France, Germany, and America, — just two years to get together and determine China's financial future. She could not longer delay an appeal for neutral outside aid. Though politically wayward, she measurably appreciated the movement against her, and on September 20, 1910, following Duke Tsai Tseh's disclosures, the Prince Regent, with no alternative, afraid of default and of foreign intervention, and in view of the jeopardy of all reform, approved a reform loan, *if it could be obtained from America*, as was intended in 1908, and according to plans worked out by the aid of Chen Chin-tao, a graduate of the University of California.

In her struggle with Western finance, and the European-Asian alliance, China capitulated, throwing herself into our arms to escape. Her question had been variously defined as foreign sciences, arms, foreign

governmental methods, diplomacy, foreign religions, etc. But necessity determined it to be finance, and economists held that if China did not reform her finances, she was lost.

Could America again save China from foreign domination and disruption by bringing about for her the creation of a system of finance? At the end of a decade of the Open Door doctrine, after the failure of the neutralization proposal in Manchuria, this was the foremost question of the American State Department. From its standpoint, it was a question whether America might accomplish by the instrumentality of a currency loan what, in 1899 and 1900, she had accomplished by the Open Door conventions.

On September 22, 1910, Sheng Hsuan-hwai, Vice President of the Board of Communications, called on the American Minister at Peking, William J. Calhoun, successor to William Woodville Rockhill, and on the authority of China asked him to telegraph to Washington a request for a currency loan and an American financial adviser.

Two generations of the powers had waited in vain such an event. A loan of fifty million dollars was conditionally agreed upon. On October 27, 1910, a preliminary agreement was quickly signed in Peking. On October 29, an edict ratified it, and China was committed to the reform of her currency as provided in her treaty, and to employing an American adviser to carry it out.

But although generations had awaited the event, China's action, as usual, was a signal among the European-Asian powers for another fight. It was a question with them, especially Japan, after the neu-

tralization proposal of 1909–1910 was disposed of, as to where America would turn up next in China. This, then, was her reappearance, and it was not less surprising than had been America's diplomacy of the year before. It was of more immediate importance because it concerned China's credit. Moreover, the introduction of foreign advisers into China long had been the jealous enterprise of many a Western nation, and in this America appeared to have beaten them all. Since the Hukuang Loan affair, the European groups were reconciled to America having due consideration in China, but they had grown apprehensive of American leadership, and were opposed to America's special position, not to say what they called "American methods." Japan was now the political leader in East Asia of her Manchurian allies, Great Britain, France, and Russia, and was the obvious political successor there of the United States.

The European groups scrutinized this situation, and then invited the American group to join them, accept their leadership, and avoid contention. The group had once before declined a similar proposal, saying it preferred to continue singly in China's financial field, but reconsidered, and adopted the view that the coöperation of the powers was essential to the success of loans and of currency reform. It invited the European groups to a meeting in Paris, where, November 10, 1910, the previous overtures from the groups for a four-party agreement for equal participation in future loans was signed. The present or currency loan was specially excepted from the body of the agreement, but in the minutes of the meeting, the American group agreed to European participation, conditional upon China's consent, and stipulations

were imposed, leaving the conduct of all negotiations for the loan to the Americans.

At this stage of American intervention in East Asia, our side had ample experience in its dangers, uncertainties, and risks. Their aim was to improve the situation in China and obviate disorganization in the Pacific, destruction, war, and loss. They were perfectly aware that their actions laid down the lines of another controversy that would arouse the jealousies and antagonism of the powers, especially those which, like Russia and Japan, had benefited most by conditions in the past and would prefer the gains assured by a continuation of these conditions. But that was not a consideration to deter them.

The new compact held out to the European groups the possibility of their participation in a loan which China had granted solely to America, and was conciliatory. It defined the fundamentally different positions, as well as the essentially different functions of the American Government and the American bankers from those of Europe or Japan, and in itself was an assurance of non-political and neutral effort for mutual welfare. With these advantages evident to the powers, the fight began.

Bankers can unite, and the American and European groups, in order to forestall Chinese diplomatic tactics, quickly did so before the negotiations began. Governments find such a course impossible in the same degree in China, where they have always emphasized their political aims, and have been played by her, one against another. The Government at Washington, obliged to act alone, confined its activity to an effort to secure the appointment at once of an American adviser. Its course was taken from our traditional

policy, and was based on considerations of equality for all, including China herself. It hoped that international capital would find its way into the loan, and it deferred to the view of the American group that currency reform in China, to be successful, must have the coöperation of the powers. But comprehending the inevitable increase of foreign financial influence in China, fully appreciated by China also, our Government desired an American adviser independent of foreign financial influence.

Had the advisership come to America independent of the loan, our Government might have been able to have consummated its desire. But as the European groups were now involved, our Government agreed that no adviser would be chosen without consultation with the American group which had the interest of the European groups in trust.

China wanted to involve America singly, in some manner, so that her influence would be a dependable foil to aggressive nations. She was working for a precedent that would give her a loophole to independence. Her object was twofold. She desired freedom from supervision by the powers. But respecting money she wanted to escape responsibility for the manner of disbursement and management. Her traditional irresponsibility in this had made it impossible for her to borrow money at home or abroad without a foreign auditor to take care of it. She was going to break this rule if she could. Contrarily, our people took means to elude her in this, and by involving Europeans, guarantee success with harmony and safety.

But the effect of the action of the American group in taking in the Europeans was to unavoidably under-

mine our Government's position respecting the adviserships. The Chinese saw this, and stored it away for future use.

The European groups saw that equality in the loan, which had been given them, implied a joint adviserships, but having received, as it were, a gift horse, they could not at the moment look it in the mouth. They could not then contest with America her reservation of an exclusive adviser.

The task of the American Government was to secure from China, without outside interference, the American adviserships, as China had desired. The task of the American group was to persuade China to admit the European groups to the loan, thereby preventing competition on the loan terms. The scene of action, which had been temporarily transferred to Paris, was shifted back to Peking.

To the Western world, China is the battleground of nations, where the strong, aggressive, and needy struggle for trade and territory. It had been the bitterest international gridiron in East Asia, since the days of Seoul under the Japanese and Russians, and what political peace and order it had enjoyed were only due to the operation of the principles of the Open Door doctrine. Peking, though larger than Seoul, had not been less petty, murderous, and bloody. But in meanness, and in the size of its international tragedies, it had rivaled every Asiatic capital from Yokohama Bay to the Sea of Marmora. It had outdone Canton, the first seat of its international relations, in wretchedness of its contentions. But the influence of the Hay doctrine, coöperated in by the powers, had tended more and more to the elevation of foreign and Chinese diplomacy there, and had developed the latent states-

manship of some of China's naturally able officials. In those circumstances, it was thought that capital, which had at last invested this battleground, might be able, by industrial development and reform, to solve problems that diplomacy had so far failed in.

China also understood this, and having obtained the preliminary currency loan agreement, apprehensive of further failures in finance, desired prompt action and called upon America to proceed with the loan, stating she was ready to telegraph her views as to terms.

Washington was on the defensive, and retorted that the next step was not the conclusion of details, but the confirmation in writing by China of her request for the American adviser. It stated that in consideration of China's desires, the American financiers were sending a special representative (Mr. Willard Straight), authorized to take up all financial contentions, but as for other matters, they could be concluded immediately through diplomatic channels, and China was asked, straight out, to name the adviser.

China demurred. She had never had an active adviser, such as the present plan provided. She had nullified the influence of those advisers she had employed for various services in the past. China evidently had not intended a directing adviser, and not at all such an adviser as America had just provided, for example, for Persia, in the person of Mr. Morgan Shuster.

But something had happened in Peking. About November 15, France informally told China that she maintained the right of participation in the proposed loan, and joint advisership in case advisers were appointed. Japan and Russia came forward, and

while they did not impose direct opposition to the application of the loan to Manchuria, yet affirmed right of equality, and required of China an explanation of the objects of the loan in application to Manchuria, acts strictly in accord with diplomatic practice in Peking, and totally disconcerting to China's intentions. They prevented her ever confirming her request to America for an adviser. Although the European groups had a right to expect participation in the loan, America stuck to her understanding with China, and, before November 29, had twice urged her to confirm her request, and Minister Calhoun was prepared to urge yet more strongly.

It is to the credit of the official alertness of Japan and Russia, as well as France, that they acted in Peking before China had time to name an adviser. Yet they were but doing their part in the work of Europe and Asia upon our frontiers, the complications and mutations of which revealed more of the possibilities to us of the alliance which those powers had made in the Pacific.

The American group agent reached Peking and opened the loan terms negotiations, proposing to China the participation of the Europeans. China had not intended this, no more than a controversy with Europe over an advisership. Here were two undesirable propositions from two sources, each one of which gave her an excuse for deferring action on the other, pending the reconciliation of the discrepancies between them by the American Government and the American group.

It is always necessary for China, ground as she is between the millstones of the powers, to act slowly, lest she find herself reduced to political dust only. She watched the effect of America's insistence and the

demonstrations of Russia and Japan on one hand, and the European groups and governments on the other, and awaited the outcome. The Europeans sought to come into the negotiations, thinking they might have an opportunity to take the loan away from the Americans. But the American Minister and the American group agent, on instructions, refused to recognize them. China parleyed, and the Washington Government, unable to proceed against her indisposition without creating a new situation, sat down to take counsel.

Two months had elapsed, China refused to act respecting the adviser, and Washington did not know whether she desired American pressure exerted against her so that she might have an excuse for concluding her obligations to America, or whether she was genuinely awed by the powers. Inquiries showed that the currency loan was opposed by the same complications that had afflicted the proposals respecting Manchuria and the Hukuang Loan.

China could not be blamed for resisting, in view of the intimidation of the Manchurian allies. When we promised participation to the Europeans in the currency loan conditional upon China's consent, China apprehended that she was about to fall into the trap she had planned to avoid. International control of her finances had come. She had a safeguard, through American participation and by American government supervision of American finance in China, yet her understanding with America was threatened with failure. She could not play the bankers against each other, but she played the American Government against the American group. To the former, she said that she could not agree to the American advisership,

because the latter urged the internationalization of the loan. When the latter urged the internationalization of the loan as the only means of success of currency reform, China said she could not agree, because the powers would not accept the American advisership. The infirmity of America's diplomatic position was recognized in Washington, and on November 28, 1910, when the final negotiations with China began in Peking, the governments of Great Britain, France, and Germany had, in a night, become tentative participants, and our right of the advisership was sacrificed.

Although the European groups had agreed not to interfere, their governments could not be refused interference, and the preliminary agreement with China had to be shown in Washington, first to the British and German ambassadors, and then to the French. The admission of America's three capitalistic colleagues to the negotiations was completed. As the leader of the negotiations, America could urge restraint so as not to defeat the loan, which was the main object aimed at, but found it necessary to send a note to the three powers, assuring them not only of participation, but the right of signature of the final agreement.

It is hard to imagine diplomatic topsy-turviness more bewildering than this. European interests were directed to breaking down the preference given to America. Their financiers proposed a board of advisers. This contravened the ideas of both America and China. Thereupon all other forces, capable of interference, concentrated in Peking like rooks. The real interests of the four capitalistic powers favored the loan. But political considerations favored the opposition represented by the Manchurian allies. There was a possibility that the apprehensions of two

of the latter, Japan and Russia, as to the application of loan moneys in a Chinese-American project in Manchuria, would inspire in the other two, Great Britain and France, a disinclination to participate in the Manchurian section of the loan.

Other influences arrayed themselves against China, America, and her capitalistic partners. These were the separate and peculiar interests to which Japan and Russia were applying themselves, and those of the Chinese reform and revolutionary agitators. The latter, at the time, had a center in the Chinese National Assembly, China's embryo parliament. They agitated against foreign loans. The Japanese press commenced a political agitation on the subject. The currency loan, a simple loan for mutual benefit in China, within a month had become a political problem.

Practical interests determined the solution of the currency loan embroglio, justifying the claim made for America's action from the beginning that it was in the interests of all concerned. America succeeded in dividing the Manchurian allies. Great Britain, for the good of the currency reform cause in which she was deeply interested, exerted her influence upon Japan, her political ally, and then upon her financial ally, France, thus at the same time reaching Russia, the ally of France, expressing the hope that those powers would not obstruct a measure for progress. Japan and Russia contented themselves with leaving the care of their interests to Great Britain and France, and with China's assurances that in respect to future loans they would receive the same consideration as other powers. The way was thus left open for their allies, together with Germany, to come into the currency loan.

When China's statesmen had accepted this program, Duke Tsai Tseh visited the National Assembly to explain the beneficial nature of the loan, and quiet the misguided patriots from among the people. The responsibility for the trouble fomented among the Chinese agitators was laid upon the Japanese, who were charged by the negotiators with active intrigue among the members of the National Assembly to stop the loan. Pressure was also brought to bear upon Sheng Hsuan-huai, upon whose authority the loan agreement was to be concluded, and then upon Na Tung, long known as a Japanese partisan, who, on the last day of the negotiations, made an effort to embroil the negotiators and wreck the entire arrangement. But he was defeated and had to leave the council room.

Although Russia's interests were regarded as lying in the same direction as those of Japan, Russia remained neutral during the contentions. When China agreed to European participation, and this desired object was guaranteed, President Taft, who had taken a great personal interest in the matter, and the Washington Government, relinquished their expectations of an exclusive and independent American adviser, and the four powers, together with China, worn out with discouragements, reached an agreement with remarkable international coördination.

On April 15, 1911, at America's solicitation, China signed terms for a currency loan from Great Britain, France, Germany, and the United States, and undertook, with the aid of these four capitalistic great contemporaries, broad measures in the form of a uniform standard currency scheme looking to the material reconstruction of the Celestial Empire, and on June 13,

in London, England, a financial council of these western powers met to approve it. Of the total amount of the loan, fifty million dollars, five ninths were apportioned to China proper, and four ninths to Manchuria. Of the Manchurian section, about ten million dollars were set aside for industrial and administrative purposes.

As there are but these four capitalistic great powers among nations, it may be said that the outer world, thus in fact as so often pronounced in theory, on June 13, 1911, established itself in council to sit upon the future of China, and these things, directed to trade and industrial regeneration in China, were a realization of the desires of western nations from the beginning of trade relations in China in the sixteenth century and of the active aims of England, France, and America for about seventy-five years.

Two centuries before America was discovered, Ma Tuan-lin, the Chinese, wrote the whole story of China's money. In the seventeenth century a successor modernized his work. In 1910 it was still modern and showed that the currency mediums of China were tokens for exchange and not fixed weights or measures. No progress was made until the great powers intervened, and America, by her aid, in 1911 placed China among the currency reform nations of the world, as she had placed her upon a course of reform also respecting opium.

This manner of ours of working in our own field, with our own implements, with almost no knowledge of diplomacy, won the nickname in our own country of "dollar diplomacy." Our success was due to good intentions, main strength, and awkwardness, by which were curiously fulfilled the early promises by our presi-

dents, of the good services of American gold, made to Siam, China, and Japan in connection with trade privileges. In 1904, Japan first won our gold in quantity, when she secured a war loan, to the chagrin of Russia. Our gold now went to China, to the chagrin of Japan.

Our Government made one important concession in order to bring about an agreement. In deference to the European groups, the advisership was to be neutral, and China became satisfied that America should accompany the loan with an adviser of whatever nationality she deemed expedient. The groups jointly named an adviser from a country not concerned in the loan, and his appointment was left to the President, by reason of our right in the original agreement with China. But in foregoing the advisership, and what would have been a diplomatic feather, the American Government, after another complicated and at times very doubtful struggle, emerged with success, and with the renewed confidence of the Chinese. It was said that not even the remission of the Boxer indemnity so convinced China of the disinterested nature of America's motives in a practical effort to promote Chinese material reform, as did this concession, made in order to secure international harmony.

By the currency loan, a new force was created in China from the four capitalistic powers of the world that may be called the capitalistic allies, whose interests, based upon equality, are naturally antagonistic to those of special rights represented by the combination under the name of the Manchurian allies. A movement by foreign interests had appeared that was more favorable to China than any existing hitherto. China's acceptance of the terms and conditions of this most important reform was attributed to the

Open Door doctrine, and it was the first response showing the effect of the American doctrine upon her political life.

It was an awakening for America, since, by her activity in this, she became an important financial ally of China and a member of the foreign financial council of China. There was reason to feel that some of the errors of American diplomacy had been redeemed. The object attained respecting Manchuria, to which four ninths of the loan proceeds were to be applied, realized in part what had been aimed at in the defeated neutralization proposal.

The signing of the currency loan was the result of President Taft's and Secretary Knox's plan of state in the interests of the Open Door and integrity of territory and sovereignty in China. It was an extension of the pledges of the powers to these principles. Not since the delegation by China of the American Minister, Anson Burlingame, as her special envoy to the West, had China relied upon any foreign agencies. In American relations with China, a wide gap since William H. Seward and Anson Burlingame was thus bridged by William H. Taft and Philander C. Knox.

But the honest efforts of America could not save her from the suspicions and jealousies of the aggressive powers. "Dollar diplomacy" of course was despised among the Manchurian allies, and was taken up especially in Japan, where it was made a term of reproach. This had its effect among partisans at home in America, where it was adopted in its new meaning by sentimentalists and other opponents of the Government, and is still remembered by those whose sentimentalities are too vital to allow of disturbance from the evolution of facts.

CHAPTER VIII

Russia and Japan

And this had been stirred up since the Portsmouth Conference! Foreign affairs, full blown, came, for us, in the quarter that fired the imagination of the English historian of warfare, Creasy, when he prophesied in 1851 "the conquest of China and Japan by the fleets and armies of the United States." In two years, in fact, through the Pacific, we had a system of foreign affairs elaborate as our unlimited and ungovernable influence in the world. We were not only entangled with Europe and with Asia in the Pacific, but with the European-Asian alliance there.

In 1907, America's policy in the Pacific was receiving the sneers of Europe, especially of Britain and Russia, and was laughed at in Tokio and in Peking because it had no kind of physical backing. At that time we were the only great nation that had missed the message of our own naval captain, Mahan, of the importance of sea power, though we received a more respectful consideration from the world with the inauguration of the Panama Canal project, and when the Battleship Fleet in 1908 rounded the world. Thereafter it became impossible for Great Britain to ignore the obvious effects arising from American master excavations and herculean sea-works aimed at merging her

two great oceans and making one stage for foreign affairs, and her lead was followed by others. Europeans rightly told Roosevelt the hunter that these things were the two great deeds of Roosevelt the President.

Taft then took a position even in advance of Roosevelt, bringing about a diplomatic battle centered in China, one of the most significant, as actually opening the struggle of the two civilizations in the Pacific, that ever occurred. Begun in 1909, on the lines of Taft's plan of state, in a fight with Japan's European allies for physical footing in China as physical backing for support of American policy, it was carried to Europe, and developed into a movement to oppose the principles of Japan's plan of expansion and continental empire, and of Europe's Asian diplomacy in China and the Pacific, which was holding Japan in its arms.

These were the most important problems that had occupied Europe and America since Bismarck and Moltke, and indeed Napoleon. Taft and Knox, on one hand, and Katsura and Komura, on the other, were in a sense the chief contestants in this battle of what may be called the foremost political griefs of civilization — the fate of the greatest civilized nation of which anything is known.

By 1910, Great Britain recognized that America was moving the enemies of China and of the Open Door powers from their base of special interests, and that the American Republic, with Canadian, Australian, and New Zealandic support, would hold the balance of power in the Pacific for safeguarding the natural working out of the relations of the two civilizations. Britain then supported us in our latest measure, the currency loan. It was shown that there was a

sense in which Creasy in his prophecy of American power was right. It was possible for a combination of influences, such as this, to hold the balance of power in the Pacific, at least during the whole formative period of East Asia. The year 1911 brought a recognition of this, both to Great Britain and to America.

But this was a fulfillment, the character of which would have surprised the prophet. America's conquest had not been one of arms. In five years our superiority in the carrying trade of the Pacific, which had provoked Creasy's declaration, was ended, and our cultural influence began its ascendancy. It was naturally followed by statesmanship in East Asia, which, well suited to conditions, had brought us safely through the treaty period; when Japan was opened, China was brought into diplomatic relations with the world, Korea was opened, and the Open Door doctrine was safely set up. We were now on the defensive. And it was the fleets and armies of Japan, not of the United States, that were in military control of "China and Japan" and the Pacific. They were backed by the military forces of Europe, against which we had only our diplomacy.

When these alliances began we realized that, as in the past, we had only moral force and reason to lay in the balance. The Anglo-Japanese alliance the first, was disturbing. With those of Russia and France, and their successors, they showed how the power of the fleets and armies of Europe was transferable across the whole African and Asian world, and could be spread upon the Pacific, along the American frontier, even though these fleets and armies never left their Atlantic stations.

Creasy had not dreamt of this. The figment of his dream was now the steel of our opponents. And important as was our achievement in the currency loan, it was the last, as I will show, and, as in the case of our outlying military posts in the Pacific, our unsupported diplomatic missions, and unfinished government enterprises of all sorts, only a source of weakness and danger instead of a strength.

Perhaps the only obstacle to following up our successes was the lack of diplomatic resources. There was more happening on the other side of the fence than our Government and its people were aware of. We had done things really great in their way, but our opponent, Japan, was keeping pace; she was the leader of a coalition against us, and was passing us. We had made of her, whom we had first aided in her war with Russia, an enemy. She took from us her own enemy, Russia, who had long been our friend, making enemies allied.

Bound by its islands and coasts to Russia, we have the vast Alaska, which we received from Russia in a most happy manner, much to her satisfaction and relief. How could we lose Russia?

Large commercial and social relations with Russia across the Pacific, anticipated when Perry McD. Collins visited the Amur as our first commercial agent there and endeavored to unite the two continents by land telegraph with communications across Bering Strait, never materialized. The telegraph was surveyed but never built. And after Alaska became ours, a railway often planned suffered the same fate. A fur trade, built up in Kamchatka and at Nicolaevsk, did not prosper long. A Puget Sound-Siberian steamer service, and an American-Russian company to fish

and trade on the Siberian coast, succumbed. Russia long had endeavored to interest American capital in Siberian development. We were prejudiced against her government and afraid of her laws. So when her war with Japan came, we had made no more headway in our relations with Russia than in the Asiatic problem, and American sympathies were with Japan. It was in this situation that Russia pointed out to us, in 1904, when we aided Japan with our finance, and in 1905, when Japan gained her paramount position in East Asia, that America was now irrevocably involved in the outcome in China, and in defense by arms of her interests in the Pacific.

The truth of this was shown from the date of the interference of America to make peace. In 1905, Marquis Ito communicated to President Roosevelt through his agent, Mr. Kaneko, Japan's desire for American intervention to stop the war. Roosevelt could not have refused. Such a request, together with the interests of America in the Pacific, required that she assume the foremost position among the powers there. And America's real foreign affairs, as they have shaped themselves "for the next five centuries" — to use the words of John Hay — began. It began with the disaffection of our oldest friends in East Asia: Japan and Russia.

Strange as it may seem, after peace was signed by Russia and Japan, it became the first problem of both to keep apart. This was because of the powder magazine called Manchuria. Thus the first act in the drama of the "five centuries." But Japan, after peace, must make a political arrangement of the powers in East Asia agreeable to her interests. To do this she had to traverse the interests of China and America,

and in a measure, of her allies. In fact, she perceived that her natural ally in this was Russia, since Russia's interests, like her own, were opposed to those of the Open Door powers. As she had renewed the Anglo-Japanese alliance, which had been directed against Russia, Russia therefore could not hold out any promise or encouragement of joint cause with Japan in future. But as Britain, her ally, had also the need of a political arrangement on her Russian frontier for mutual interests, ajar stood a door to ultimate success.

It was not apparent to Japan until after she had received, by the Portsmouth Treaty, certain secret information to be mentioned later, that the renewal of the Anglo-Japanese alliance three weeks previously had complicated her political task, and stood in the way of her opportunities. When she saw this, she determined to reach an understanding with Russia. First, therefore, in the great diplomatic battle between America on the one hand, and Japan and her allies on the other, comes Russia's part with respect to Japan.

Two years before the Portsmouth Treaty, General Subotitch, first Governor of Port Arthur, recommended to General Kuropatkin, Minister of War, the liquidation of the whole of Russia's Manchurian interests, including the railways, and retirement to Siberia, so as not to come into conflict with the advance of the Japanese through Korea, and the active advance of the Chinese from Shantung and Chihli. Like a Siberian and Manchurian convict, Russia, from the day the peace was signed, for four years tracked her way fruitlessly through the wide wastes between Occidental and Oriental diplomacy, finance, and economics, for an avenue of escape. The story of this

pilgrimage, entirely hidden from the world, and ending only when American diplomacy was defeated in Manchuria, tells how we lost Russia and Japan.

Russia knew the reasons for remaining apart from Japan. Japan, guided by the conservatism and anxieties of Marquis Ito, with respect to too close intimacy with the Russian frontier before Japan could recuperate from the war, rushed to the solution with the Ito-Harriman agreement, signed in Tokio, October 5, 1905, for the transfer of the Japanese railways in Manchuria to the American financier, Edward H. Harriman, on a joint working basis, thus placing a neutral power, America, between herself and Russia. This was the first neutralization scheme.

Came Komura to Tokio (from Portsmouth, New Hampshire), from whence date *two* Japans. He went dead against Ito. Komura said Japan must expand on the continent in China, and this expansion had sufficient political basis only in the rights which Japan had acquired from Russia by coming into possession of a share of her railway. Japan could not divide her railway rights with Harriman, or any one; she must cling to all she had acquired in order to share all the rights and advantages enjoyed by Russia. And she must not be embarrassed by American interference. Russia must be supported, and made to cling to all she held and had claimed in Manchuria, so as to give a basis for Japan's continental expansion. Japan could safely trust to the future to settle with Russia. Japan therefore abandoned the Ito-Harriman agreement, and thereafter stood for friendship with Russia, not evasion, and she began a four years' siege of Russian confidence, first blowing hot, then cold, now angry, now conciliatory.

Russia was nonplussed at Japan's intentions, not knowing precisely the consequences of what was going on, and unwilling to admit the principle of Japan's practical enjoyment of her own peculiar rights in China. She avoided a political understanding with Japan, shunning it as America shuns European entanglements. Thereupon, because of Japan's pertinacity, Russia was confronted with the problem of stopping the Japanese advance across Manchuria, at her very border.

During the four years mentioned, Russia many times escaped embarrassing relations, being once shielded from the inevitable outcome, as I will show in its full significance, by an assassin. All the time her foremost ministries were working on the burning question of segregation. The Ministry of War was at work on the new strategic problem of Russia in East Asia; the Ministry of Foreign Affairs was involved in the political problem; and the Ministry of Finance was occupied with the economic problem.

The work of the Ministry of War was simple. Two opinions prevailed as to the problem of avoiding Japan. The first favored a railway by way of the northern extremity of Lake Baikal, along the most ancient Chinese-Siberian boundary, to Habarovsk and Vladivostok, to take the place of the Chinese Eastern Railway in Manchuria, now at the mercy of Japan; the progressive view being satisfied with the proposed Amur Railway, following the existing boundary along the north shore of the Amur River. The Ministry of Foreign Affairs was completely absorbed in treaty questions with foreign powers in Manchuria. The Ministry of Finance was in charge of all Russia's industrial, as well as financial, interests in East Asia, and upon it fell the responsibility of actually solving the

entire problem and relieving Russia of the burden of her Japan-wrecked, Pacific empire.

In 1906, the Army Council (sitting in St. Petersburg since the close of the war) decided in favor of promoting the Amur line, so that in case of need the Chinese Eastern Railway, Russia's Manchurian line, which could not be successfully defended, could be abandoned. This was approved by the Government, or Czar. And the Chinese Eastern Railway was for sale. As I have already intimated, the Russians first looked for a "rich uncle" in America.

In 1907, the Duma was at once asked to sanction an appropriation of one hundred and fifty million dollars for the Amur Railway. The disposal of Russia's Manchurian railway was discussed by the Duma, and on account of the loss on it, annually, of about (gold) five million dollars, the principle was emphasized that imperial money should be expended but for one strategic railway project, and that if the Amur Railway were decided on, the outlay on the Manchurian must cease.

When the matter reached this state, creating a national opinion in Russia apparently in harmony with the Government's predisposition, Japan became apprehensive, and, in February, 1907, approached Russia with the view to an understanding. Overtures were made at St. Petersburg by Baron Motono, the Japanese Ambassador. Having herself mistakenly essayed disposal of a railway on which her policy of empire was based, she saw in Russia's course the cutting away altogether of the easy foundations of her future on the continent of Asia.

In March, 1907, the deputies in the Duma, of whom the foremost advocates of the Amur Railway were

the Siberians, led by Professor Nekrasoff of Omsk, supported the project of selling the Manchurian, and applying the proceeds to the Amur Railway. The latter determined upon, the former became superfluous. Motono's advances accomplished nothing.

Russia understood that her retention of the Manchurian railway and insistence on her contractual rights in it, as well as other agreements, only gave a more firm and secure foundation for Japan's continental empire, and that this could be avoided only by the transfer of those rights to neutral powers, who could bestow upon them an interpretation more favorable to China than that which she had established. This had been worked out at Portsmouth. Russia, hopelessly behind in development in East Asia, and dogged by Japan, was cherishing the project of turning over her railway to a neutral holder, in order to create a barrier against Japan, and had worked out the principles of disposal. This was the second neutralization scheme.

In September, 1907, the Ministry of Finance, under M. Kokovtseff, sent Ivan Shipoff, its ex-chief, to investigate the whole economic situation in East Asia with reference to the salvation to Russia of her interests in that region. The investigation lasted three months, and the consequent renewed discussion of the project of sale of the Manchurian railway brought out in the Russian press the delicate point of segregation from the Japanese, at which point the discussion was stopped for prudential reasons. The pressure of the Japanese into Manchuria, and even upon Russia's Siberian border, raised the question among Russians of another war with Japan, and the unadvisability of withdrawing from the Manchurian railway, for military as well

as political reasons, unless Japan would withdraw from her railway.

In 1908, thoroughly alarmed at this now formidable menace to her interests and ambitions, Japan called her Manchurian lieutenants to Tokio and issued orders to conciliate the Russians.

Now came the entanglement of all the powers in the question. Pending solution of her Manchurian difficulties, Russia, in conformity with her claims of right in the matter, held herself obliged to administer civil affairs in her railway territories in Manchuria, thus coming into conflict with the treaty powers because of equal rights which China had granted them in opening Harbin and other places in Russia's railway territories to international trade. Japan herself had secured the opening of two of these places, and thereby directly established in them the equal rights of the powers. On account of the Open Door policy, America was the first to assert the rights of the powers under the treaty, and the sovereignty of China in Manchuria as against that of Russia.

Japan welcomed America's stand, because it forced Russia to defend her rights, and therefore Japan's rights, before the tribunal of the powers, which would throw light upon the mutual interests of Russia and Japan. Russia had to show cause for exercise of sovereignty in Manchuria, and there came the disclosure of one of her secret agreements with China which, by the secret minutes of the Portsmouth Treaty, had become the property of Japan. She made known "Article VI" of the Russian-Chinese contract of 1896 for the building of the Manchurian railway. This secret article gave the railway (Russia) "absolute and exclusive right of administration in the territories

attached to the Railway." This was Japan's legacy from Portsmouth, New Hampshire, exchanged by Russia, in secret, under America's nose. When Russia gave it to us, due to our opposition, it was as a diplomatic high explosive, let loose in an identical note from M. Pokotiloff, Russia's Minister at Peking, to the powers at the beginning of the year.

CHAPTER IX

Russia and America

It was the first great revelation resulting from America's new policy. It was the beginning of our great blunders. Japan was steadily beating us in detail, dispersing the forces favorable to us without our knowing it. She had been working on Russia for several years before we uncovered her trail, and then we did not know it was her trail. She had her arms with her, but diplomatic tactics was the only weapon she needed for checkmating us, and accomplishing her ends. It was the race of the giant and the pigmy, and the pigmy was winning, hands down.

Russia's disclosure was of immense advantage to Japan, who had been waiting for it, and now began an even heavier diplomatic battering of Russia. Though Japan had assisted in raising the question, she immediately reversed her position, notifying her officials and subjects in North Manchuria that the right of administration of the territories attached to the Russian railway belonged to that railway. Then, on February 13, 1908, she informed Russia of what she had done, and at the same time asked Russia to recognize the similar right of the Japanese railway!

Japan had been waiting two years to accomplish this.

On February 15, 1908, our Government, apparently densely ignorant of the consequences of the game, — and through having no conception of what was going on, and no idea or plan, being unable to recognize "Article VI", — warned Russia that persistence in her administrative efforts would raise treaty questions, in which case America would have to assert her rights. Rockhill, our Minister at Peking, on orders from Washington, conveyed this message to the Russian Minister, M. Korostovetz. As by a "lightning before death" we hesitated, adding that America did not wish to cause Russia trouble in the matter. But we were lost.

On February 21, 1908, Russia replied to Japan's request for reciprocal recognition of authority, of exclusive and absolute administration in the railway territories of South Manchuria, and said that she was prepared to take proper steps when the occasion arose. It showed Japan that Russia had determined, if we persisted in our inconceivable but very real and bootless gaucherie, that she would give us what we deserved. This was interpreted by Japan as an affirmative, and was sufficiently equivocal neither to bind Russia nor obstruct Japan. Simultaneously, the Japanese Consul General at Harbin gave out the statement: "If Russia insists on building the Amur Railway, it can only be interpreted as meaning that Russia is preparing for another war, whereas she ought to be satisfied with the Chinese Eastern Railway." Japan was determined that Russia adhere to her railway and its rights.

In March, 1908, Russia was in such complications with the powers, headed by America, and pressed so hard by Japan, that she complained to us of our

refusal to recognize her authorities at Harbin, the chief point of conflict with the powers. On April 3, 1908, America pointed out that Russia was exercising sovereignty in the Empire of China through the instruments of a bank and railway company (Russo-Chinese Bank — Chinese Eastern Railway Company), which was illegal and inadmissible. Russia's diplomatic position was so weak, we were so merciless, and she was so intimidated by Japan, that she permitted her Foreign Office, which was incensed against us, to work at loggerheads with her Ministry of Finance, which hoped to stay the political onslaught until it could dispose of the railway which, if sold to us, would solve the danger from "Article VI" and create a buffer region between Russia and Japan. Seeing this, Japan whipsawed the Russians. Korostovetz, from Peking, warned his Government of its anticlimax in permitting the two ministries to work at loggerheads.

Japan had now in operation an organized, intensive program for consummating, by "Article VI", the principle of a division of sovereignty in Manchuria, something which Russia in thirteen years had failed to do, and which Japan, by the Russian-Japanese War, was responsible for preventing.

While negotiations were going on between Russia and America, Japan's semiofficial newspaper, *The Kokumin*, taunted Russia with giving way to America regarding "Article VI", and boasted that "Japan's jurisdiction in South Manchuria is more strongly established than Russia's in North Manchuria." Japan's attitude was highly assertive, and indicated a disposition to establish Japanese authority in Japanese Manchuria, entirely independent of any precedents or agreements. Japan's policy actually, for a

year now, had been based upon her advantages in hand in Manchuria. She had taken from Russia that which, in making war, she had denied Russia, namely, special rights in Manchuria, and was supported in this by her alliances.

In May, 1908, Japan sent Baron Goto to St. Petersburg (Petrograd), to sound Russia on her attitude toward "Article VI" and the possibility of arriving at an understanding. Russia held aloof, eluding her solicitous neighbor by appointing negotiations to be taken up between the two railways in Manchuria. Mr. Tanaka, director of the Japanese Railway, went to Harbin, — Japan always went to Russia, — where Russia refused to consider economic and commercial questions with railway officials, as she had refused to discuss political questions with envoys. Mr. Tanaka departed in disgust. Both missions failed; Russia was again relieved of Japanese importunity.

During the year of discussion between America and Russia, the other nations were not idle. China was struggling in Manchuria for her sovereignty, as in her Kinchou-Aigun Railway scheme, her mission to America to get funds for industrial and administrative purposes there, her efforts to bring about the formation of an international syndicate to take over the railways, and her endeavors to get agreements from both Japan and Russia. Russia arranged with her a "formal interpretation" of the now famous "Article VI", intended to make the authority of the railway and that of the Russian Government agree, so as to satisfy the objections of the Open Door powers. On May 10, 1909, it was signed, and China understood it to be a plan for joint administration of the railway territories, preserving to her the sovereignty. Not so

the powers, who joined America in further opposition to Russia; even Russia's ally, France, said she "could not take a position inferior to that taken by the other powers." All this worked in the interest of Japan in more fully establishing "Article VI", and in forcing Russia along the pathway of a joint understanding. But Russia was still clear of entanglements, and free to dispose of her railway if she desired.

Russia's hope, as nurtured by the Ministry of Finance, fixed itself upon America's financial activity in China. While she was negotiating with Harriman, China still clamored for her sovereignty in the railway territories, and in the summer of 1909, for reasons similar to those which were inspiring Russia, she put forward proposals to herself buy Russia's railway. This was the third neutralization scheme. America's active policy underlaid all these movements. Though penniless, China, on the strength of our activity and support, felt herself rich enough to pay Japan and Russia for their railways in Manchuria, however excessive the price.

Fearing the effect of an actual awakening of America to her vital foreign interests, Japan created a diversion. Her need was to worry Russia a little more. She brought forward the question of opening to navigation and trade, for all nations, the Amur and Sungari rivers in Russian Manchuria, a treaty privilege hitherto enjoyed by Russia alone. By treaty authority of the rights of nations to equality, on July 1, 1909, China declared the two rivers open. This gave Japan a share of other of Russia's peculiar privileges. And as Japan was the only power prepared to take advantage of the opening of the Amur and Sungari, and her pressure northward was already a burning question, she thus

possessed something which it would be worth while for Russia to get back.

Russia, perceiving Japan's fine Oriental hand in this, and fearing the invasion of Japanese on her frontier, refused to recognize the customs stations which China promptly set up, and demanded that China declare her attitude as to foreign craft applying for registration on these rivers, especially Japanese craft, in contravention of Russia's exclusive rights.

The drama of the "centuries", as it thus opened, was moving rapidly. Japan was leaps ahead, with America grasping at every question to mold it to the Open Door doctrine, succeeding only in antagonizing all the Manchurian allies through perpetually insisting upon this doctrine and the integrity of China's sovereignty and territory. Japan's dash began to take the breath of informed Russians, and the *Novoe Vremya* in St. Petersburg, Russia's semiofficial newspaper, impressed by the magnificence with which we were rising to the occasion, urged an understanding with us respecting the integrity of China. In consideration of Russian negotiations with Harriman and of all that we were doing in China, St. Petersburg was willing to forget its unsuccessful attempt to secure our consent to a modification of the principles of the Open Door, with special reference to Russian Manchuria.

It was a hint which we had no ears to hear and could not understand. And, nothing resulting but the deeper wading of Japan into Russia's preserves, Russia's Ministry of Finance summarily concluded its deliberations. And the result reached was a definite neutralization proposal for the solution of the whole Manchurian question for Russia, such as America offered to the powers only some months later. Russia's

Manchurian question involving China's claim to administration in the railway zone territories, as thus determined, was explained by the Minister of Finance, Kokovtseff, who said:

"If an insistence on our conditions [Russian sovereignty in the railway territories] is impossible without risking a war, and we are not prepared to support our demands with arms, then the sole solution appears to be the liquidation of our concession [Chinese Eastern Railway] after the expiration of the term of our contract and the completion of the Amur Railway.

"Under these circumstances, the most satisfactory issue of the difficult relations between Russia and China, would be the transfer of the administration of the Chinese Eastern Railway to a special international organization, each nation taking over a part of our invested capital and a corresponding share of the guaranteed revenues. The date of liquidation must depend upon the construction of the Amur Railway, as otherwise, Primorskaya Province would be cut off from Russia."

This was the fourth neutralization scheme.

Russia had not, up to this time, allowed her Foreign Office to interfere with the Ministry of Finance, which had gone pretty far. The latter was making Russia's last offering of her railway in Wall Street, where the value of the proposed bargain, to us, was enhanced by the success of the attack from the powers, led by America, on Russia's right of administration in Manchuria, as represented in "Article VI."

On September 9, 1909, Harriman died, extinguishing perhaps the only opportunity in the world for the sale of the Russian railway, the possibility of which, from the beginning, had depended solely upon the

great ideas of Harriman. Defeated in this, and perhaps disappointed from failing at a plan in which Japan had successfully preceded her, Russia turned to the task of establishing among the powers their acceptance of "Article VI" as a *fait accompli*. The effort of the Ministry of Finance was about over. Russia's political problem with Japan was paramount.

Began, finally, the loss to us of Russia. On October 8, 1909, the Russian Foreign Office addressed to the powers a *communique* containing the Russian-Chinese "Interpretation" of May 10, 1909. It emphasized the apparent fact of China's accord with Russia, seeming to make Russia China's deputy administrator in the Russian railway territories in Manchuria. Its intent was to quiet charges of Russian violation of Chinese sovereignty. The Foreign Office was alarmed at the complications, responsibility for which was charged to the Ministry of Finance.

By this time, what Russia would do was a burning question in Tokio. Japan, in her conciliation policy, was promoting a propaganda on Russian-Japanese community of interests in Manchuria and Mongolia, and the necessity of standing together. Russia distrusted Japan. Neither Japan nor Russia believed there was not something concealed in America's activities. Russia, already several times disappointed, was wasting a good deal of effort in trying to find out a secret that had no existence. Japan was equally anxious and far more alarmed at the success and boldness of America in setting up a physical base in China from which properly to interfere in all Open Door matters there. So long as this affected only China proper, Japan did not exert herself. But now she discovered that China had given to Americans

the concession for the railway traversing Manchuria from end to end and cleaving both Japanese and Russian spheres — the Kinchou-Aigun contract.

Came the loss to us of Japan. The latter approached Russia with a proposal for a joint Russian-Japanese protest which Russia equivocally assented to. Beginning October 12, 1909, the two countries protested to China, but independently and from different motives. Russia protested because the new railway represented the development of Manchuria by both Japan and China, and the Japanese and Chinese advance feared by Russians. She protested on account of the weakness of her frontier. Japan protested, to support the claim that the railway be made a part of her own railway system, thus elaborating the basis of her position in China.

Seeing that an understanding about Manchuria could not be put off, and that she must decide what she was going to do, Russia sent Kokovtseff to Manchuria, where an arrangement was made to meet a representative from Japan. Later, when Japan had succeeded in forcing Russia into a joint policy which defeated America's neutralization proposal, it was given out in St. Petersburg that Russia, having learned of the American proposal beforehand, sent Kokovtseff to Manchuria to meet Prince Ito with the object of arriving at an understanding between Japan and Russia against the American proposal, should it be made. But this was only for Japanese consumption, when Russia no longer had any hopes of her own plans, and realized she was being driven into the arms of Japan. The representatives of the two powers appeared from different motives, though by arrangement, on the battleground in Manchuria. While Prince Ito, who

had signed the Ito-Harriman agreement, and who was the highest adviser of the Emperor of Japan, and Japan's man of greatest political stature, now went to Manchuria, as we must believe upon the evidence that lies without the Emperor's council in Tokio, in defense against America's plans, Kokovtseff went to Manchuria to take a final personal survey of the situation respecting the possibility of neutralizing Russia's railway there. He went with the promise given to Noetzlin, of the *International Wagons-Lits*, that, on his return he would recommend the sale of Russia's Manchurian railway. Russia's first consideration was some solution of the Manchurian question so as to escape Japan.

The meeting at Harbin, October 26, 1909, was that of two nations whom a combination of remarkable circumstances, of which neither was wholly master, but of which Russia knew Japan to be the "god in the car", had thrown together. Russia had made no overtures to Japan; she was at Japan's mercy. The onlookers at Peking spoke of the coming *liaison* as that of the lion and the lamb, and taunted Russia with making her bed in the lion's maw. Russia to the last cherished the unpromising plan of ridding herself of the railway, so as to avoid entanglement.

The meeting in M. Kokovtseff's railway carriage at Harbin, — in every case Japan went to Russia, regardless of rank and precedence, — was entirely formal. It was a preliminary meeting, brief, and the Russians present felt a sense of relief when it ended, and they realized that nothing had happened to commit them. Nothing had happened to show that when Prince Ito stepped from M. Kokovtseff's car his mind had any cause to feel relief from the burden of his thoughts as to what Russia yet might do toward dis-

posing of her railway. The possibility of her surrendering her claims to administrative sovereignty over her railway territories, which was the principal basis of Japan's continental policy since the war, remained an unsolved menace to Japanese ambitions.

I regret the occasion of again referring to an incident of uncommon sadness to all Americans, and one from which I would have been glad to turn away, even though it illuminates perhaps more powerfully than could any illustration at command, the American problem of Japan and the Pacific which my book undertakes to disclose. Closely following Prince Ito as he stepped from the car, in the position of the game stalking the hunter, came M. Kokovtseff. Prince Ito passed down the line of Russian railway guards on parade, turned about, and started back, when a Korean spectator in the crowd lifted a revolver, fired two shots into his body, and emptied the remaining cartridges of the weapon at the Prince's escort. A Russian cinematograph operator stumbled over his apparatus and fled. Prince Ito sank to the ground, was carried into his railway carriage, and died in a few minutes.

When we look back upon the stirring days of the Japanese Restoration, when Prince Ii was assassinated for signing the American treaty, we think of them as days that could never be repeated, compared with which the present is a tame and dreary treadmill of sordid and monotonous uneventfulness. Yet here were events that could be measured only at the cost of the life of one of the greatest world men of the last forty years. The last political tragedy of the kind in East Asia had been the murder of the Queen of Korea by a Japanese. An attempt had been made upon the life of the eminent Li Hung-chang, which

had aroused the sympathy of the world, and more recently the governor of a Chinese province had been assassinated. But seldom have international affairs in East Asia, ancient or modern, risen to the dramatic and breathless tension that accompanied this tragic meeting of the Russian Minister of Finance and the great Japanese Elder Statesman and Prince, in Russian Manchuria. From the seemingly inevitable understanding with Japan, which she feared, and had so long successfully avoided, Russia was again shielded, strangely enough by an assassin, and one totally ignorant of the facts above recited.

Russia promptly expressed sorrow that such a calamity had occurred, and, as she said, on Russian territory. At the sound appeared China. Like Banquo's ghost, the specter of Chinese sovereignty for a moment solemnly arose in the question as to whom belonged the prisoner. China hesitated in awe, while exultant at the assassination. Russia seized the assassin, and Japan received, at this tragic altar and bier of her first statesman and subject, what consolation there might be of confirmation of Russian and Japanese railway zone sovereignty, in receiving the prisoner. China was ignored. She was the cat, looking at kings.

Ito's thoughts and hopes respecting the mission upon which his Emperor had sent him were buried with him. He was heard to utter one word. When told who had shot him, he said: "Fool." Kokovtseff attended the body of the great Oriental to the limits of Russian "territory" at Chiang-chun. Japan cast flashing glances at America. While the feelings of the Japanese people toward this country and Russia warred with each other, Japan rested her case.

We might be considered indirectly responsible for Ito's death. I do not know what the sentiments of the Japanese people on the matter are. But the informed official class and others cannot escape the conclusion, holding the view, as they do, that the influence and interference of America in East Asian affairs are the foundation of Japan's difficulties with China, and a great deal of her European difficulties as well. At the same time there hangs over the memory of Prince Ito the cloud of apparent desertion of his own political convictions and the principles for which he stood with us in East Asia and the Pacific to go over to the banner of Komura and the expansionists. We cannot assume that Ito at Harbin retained, even with reservations, his original approval of the American plan as presented by Harriman, or that he was prepared to make any concessions to Kokovtseff. It was, however, within the bounds of possibility that had Ito lived, the course of history, as has been surmised, might have taken the turn which Mr. Otto H. Kahn points out once hung on the fate of the agreement made by Mr. Harriman. Ito was acquainted with the essential facts. He may have been prepared to compromise with Russia. Is it possible that the anger of the Japanese Government and the necessities of politics in East Asia have prevented a declaration of her intentions on that occasion? In Ito's fate was not the chance to vindicate his position. The last opportunity of his life to explain by an act his attitude to Komura's ruthless plan of state, and set himself right in American eyes, was snatched from him by a vagabond, alien "fool."

It does not seem possible that Ito could have failed, on this supreme occasion, to have affixed some terminal

possibilities to Japanese ambitions under Komura's leadership and plans. That fate was against him is the circumstance to which is due America's situation and problem in the Pacific to-day. Already intimidated by Japan's successful diplomatic slugging, Russia took fright at the murder of Prince Ito while under Russian guard and protection, and immediately ordered her Minister at Peking to formally deliver to China the *communique* which, October 8, Russia had presented to the great powers. This order reached Peking before Korostovetz, the Minister, who had gone to Harbin, returned. The action was that of panic. The amazed Minister warned St. Petersburg that China would not agree with the Russian view, and that it would bring down upon them an appeal by China to the powers against the *communique.* And this actually followed.

It took some time to understand this great tragedy of Prince Ito. Russia and Japan contemplated each other, but in spite of their intimate struggles there was nothing to show that they were in reality any nearer in sympathy and understanding than before. Russia was all but outrun. She had not realized any feasible plan of arresting Japan's aggression, and there was no promise of her realizing the neutralization of her railway alone.

Utter mischief for China had been raised by Japan's getting into Russia's preserves and dividing them, for she had a power for making use of them greater than all the rest of the world, including China. Russia was still recoiling from the Japanese impact of 1904 and 1905. She was still beating a retreat. As a temporary expedient, unable to resist Japan and the powers, she had staked everything on "Article VI."

Only Japan openly supported her. Under pressure of disapproval from the powers, focused by America's policy, in desperation at her predicament, and just before we came to her intended relief, Russia, through the Ministry of Foreign Affairs at St. Petersburg, said to Ambassador Rockhill, "America will drive Russia into the arms of Japan if she persists in her uncompromising attitude." As there was then no compromise in the Open Door doctrine and the principles of Chinese integrity and sovereignty, and as we had never comprehended the consequences of the case, this could not be helped.

The Russian-Manchurian convict bear was now harassed and driven. China was appealing for protection of her sovereignty. The Open Door powers were demanding their treaty rights. On December 16, 1909, recognizing these things, and the dangers due to the advanced position into which Japan was moving, and with a view to arresting these ever-increasing complications, after the individual plans of Japan, Russia, China, and the powers had failed, the American Government itself proposed to Russia, Japan, and the powers, as I have shown, the neutralization of all the Manchurian railways, including its own proposed Kinchou-Aigun line, by purchase and restoration to China, as the others, in part, and especially the Russian Ministry of Finance, had devised. This was the fifth neutralization project.

Kokovtseff's purpose never wavered. Even after Ito's death he recommended sale of Russia's railway to an international syndicate. But Russia rejected the proposal, and was received into the arms of Japan. Her action, to the American Government, and to others acquainted with the above facts, was the wonder

of the hour. It was explained by outsiders as due to distrust of America's motives caused by bungling diplomacy in presenting the proposal in St. Petersburg, and by Russians as due to the grandiose nature of the plan. But why did she reject it?

CHAPTER X

Political Secrets

It were wiser in us, in view of coming conflicts, to have looked into their shadows and worked out this history and its message long ago.

The situation after our efforts was this: An upheaval had occurred in China, especially in Manchuria, and Japan had completely developed the basis of her plan of empire. This had been done in the presence of most of the statesmen, diplomats, and administrators of the world, especially those foremost in the governments of China, Russia, Japan, and America. Many of them visited Manchuria in quest of the political equilibrium of East Asia. In China was Yuan Shih-k'ai, and the great Chinese counselors, Chang Chih-tung, Hsu Shih-chang, Na Tung, Hsi Liang, and others; Tong Shao-yi and Liang Tun-yen were involved, with the representatives of other nations. China, in pursuit of her sovereign rights, sent her Manchurian governors to Russian Manchuria to investigate everything. She appointed special commissioners to negotiate with Russia at Harbin. She twice superseded her ablest viceroys at Mukden, each being enjoined to execute successful measures counter to Japanese and Russian designs.

Russia dispatched special commissioners from St.

Petersburg, one Minister and one ex-Minister of Finance, and one of them, with General Horvat, Administrator of the Russian Railway, visited Peking. The other was met in Manchuria by the Russian Minister at Peking. Russia sent numerous diplomatic and military agents to North China and her Pri-amur Province in connection with the attempt to solve what was the greatest political question in the world. General Gerngros, who had fought against the Japanese in Manchuria, came from the Czar, with a military staff from St. Petersburg, and the Archimandrite Mission from Peking, to observe the dedication of the Japanese monument to the Russian defenders of Port Arthur, a work whose execution was one of Japan's graceful acts in her policy of conciliation of and affiliation with Russia.

Japan's leading men had many of them visited Manchuria in connection with building the basis of Japan's continental empire. They included General Terauchi, Minister of War, and Prince Ito, who came twice. Gonsuke Hayashi, Minister at Peking, visited Japanese Manchuria when Japan's interests there were an enigma, and the questions with China appeared unsolvable. General Oshima, Governor of Kuangtung (Port Arthur and surroundings), remained in charge of Japan's interests, a foreign representative equal in rank with China's Viceroy at Mukden. Prince Fushimi came; and the missions of imperial, diplomatic, and military agents were unending. It was the fashion among Japanese of all grades to make Manchuria a way-station in all their travels.

France was inconspicuous in this drama, but her participation as an ally of Russia was perfectly real. Germany for a time took no active part. Doctor

Dernburg, her Colonial Minister, afterward notorious as Germany's war agent in the United States, visited North China and Siberia. But Germany, while interested, *sub rosa*, stood in the background. Of all the Manchurian allies, Great Britain, on account of her scrupulous interpretation of her obligations under her alliance, and the opposition it created among the British people, distinguished herself, as I will show. The lament of Sir Edward Grey, Secretary of Foreign Affairs, and one of the World War statesmen, to the effect that with respect to Manchuria he could do nothing, will make him remembered least enviably by China. In this affair no other British official was so unlucky, and no foreign statesman deserved more ingratitude from China unless it was Iswolsky, then Russia's Minister of Foreign Affairs, who, to his critics, appeared incapable of rising to an idea so happy and so splendid as that of the neutralization proposal of America.

At least for several years, America took a place in the drama but little less important than Japan's. Heralding the gathering of the chieftains alluded to, came President Roosevelt (1903), declaring the "Pacific Era", later restricting his efforts in the affairs of East Asia to the Japanese question, and although striking spectacular and great blows, driving at the nailhead straight in the direction of war as it has been promised to us in the Pacific. The burly American wielded the tomahawk over Ambassador Aoki, bringing about his recall and the practical exclusion of the Japanese from the United States, while with his common stick he sent the Battleship Fleet maneuvering in the Pacific, successfully creating an anti-Oriental bond in the Pacific area.

Our problem in China, left to Secretary Root, was fought along negligently after this. It then encountered the determination of President Taft and Secretary Knox. At Peking, Minister Rockhill nursed our problem along in its early stages, followed by Mr. Fletcher, his First Secretary. It was the fashion for ministers of state, colonial secretaries, and administrators to visit China, and so came Secretary of War Taft, visiting all East Asia, Siberia, and Russia. Thereafter, as President, promoting the doctrines of Hay and McKinley, he imitated in China the boldness of Roosevelt at home, displacing the indifference of Root by the activity of Knox, later sending his own Secretary of War, Dickinson, in his footsteps to East Asia, and contending with all the powers at once.

This galaxy of international political stars and star dust supplied the setting due Japan, as "the god in the car" of the Manchurian question, and to show that the answer to the question of Russia's refusal of our neutralization proposal was due to Japan's new plan of empire. As it appears to one who has watched it from the outside, and what is deducible from some knowledge from the inside of the Japanese Foreign Office, this plan, briefly, is comprehended as follows:

On September 5, 1905, Japan and Russia signed under American auspices "the Portsmouth Treaty", binding them to the principle of the integrity of China, the restoration of Manchuria to China, and the preservation of China's sovereignty there.

Russia was willing to give up her footing in Manchuria.

Japan was willing to give up her footing in Manchuria.

The Treaty contained other things in its secret minutes, notably the obligation of Russia to give Japan texts of her written agreements with China, some of which gave the secret basis of Russia's political footing in Manchuria. Some of Japan's war gains were specified in the Treaty, such as: half of the Island of Saghalin, payment for the care in Japan of Russian prisoners, the Russian Railway south of Chiang-chun, etc. But there was one unspecified asset of war of which no one knew at the time, except Russia, who did not seem to realize what would be its value to Japan. This asset was "Article VI." Shared with Japan, provisions in "Article VI" gave a successful rival special rights and privileges with which that rival could undermine Russia and conquer China. Japan reconsidered before giving up her footing in Manchuria, as she might have done by the policy contemplated in the Ito-Harriman agreement, and awaited receipt of a full knowledge of the possibilities of Russia's secret basis by which she had dominated Manchuria.

It was some time before these two Japans were recognized by the world. But as things go, it took but a brief diplomacy to materialize them. Summed up from what is left over from the story of Russia's keen, eventful race for the political open, and her swift finish in the "arms of Japan", it is this: On abandoning the Ito-Harriman agreement, Japan reversed her continental policy two months later at Peking, by the Ching-Komura convention, establishing herself in Northern China as a legatee of Russia. Immediately inaugurating her plan of expansion in North China on the basis of "Article VI", she closely invested Russia diplomatically, in Russian parlance, dogging her footsteps. She subverted Korea's government and king, changed

her policy toward the powers, from the basis of the Portsmouth Treaty and other treaties, to that of acquired interests and potential advantages in China, arranged loans for industrial development in Manchuria, and created by imperial ordinance "The South Manchurian Railway Company" — a Japanese government corporation, to exercise for Japan, and in violation of the sovereignty of China, the same sovereign functions which the Chinese Eastern Railway Company (and the Russo-Chinese Bank) exercised, in violation of the sovereignty of China, for Russia, and to execute "Article VI."

Captain Brinkley, the official apologist for Japan, tried to explain this. In his words, when Japan thus took, in Manchuria, at the end of the war, that which, in making war, she had denied Russia: "It was scarcely to be expected that Japan alone should make a large sacrifice on the altar of a theory [the Open Door and integrity of territory and sovereignty of China within her borders] to which no other State thought of yielding any retrospective obedience whatever."

Japan's "retrospective" pledges ended. No other State had anything in China relatively worth retroceding, except Russia, perhaps, and had Japan set the fashion as she evidently intended and declared she was doing in the beginning, she would have deprived herself of a continental empire, to be paid for by China. She would have given up Manchuria, "the base for the conquest of the whole of East Asia!"

See what she did to avoid this. She secured a nominal pledge from Russia supporting her own right of administration through the railway in South Manchuria, thus setting up the principle of the division of sovereignty in Manchuria. She then took advantage

of Russia's conflict with the treaty powers in China to increase the division in Russian policy, whetting Russia's ministries of Finance and Foreign Affairs against each other, and through her ambassador and special envoys promoting a Russian-Japanese policy and propaganda. She brought pressure upon Russia by immigration enterprises on the latter's frontiers, forcing open the Amur and Sungari rivers to trade; asserted equal footing with Russia in Russia's special Manchurian and Mongolian frontier trade rights; opposed with Russia the China-American Railway in Manchuria; arraigned Great Britain against it, and enlisted her active opposition to prevent its ratification by the Chinese Throne (Russia and France following); and made every effort to arrest Russia's plans for the introduction of neutral powers into Manchuria.

Japan, as the climax of this drama approached, had extended her communications and her activities from the dividing line of Russian and Japanese Manchuria to the Siberian border, and was about to spread herself over the water system of Russian Manchuria. The loss of Ito, for which Russia felt herself blamed, and the tremendous force of Japan's diplomatic success, appeared to completely conquer Russia. It was easy for the four Manchurian allies practically to consolidate, leaving America the only power at China's side. Japan found an understanding with Russia regarding the permanency of "Article VI", and of the future of their mutual interests, appreciably near. She saw that the idea of the practical difficulties in the way of the Open Door principle, in view of her opposition to it, had taken hold of Great Britain, not to say France, so that she had little to fear, from her standpoint, from the militant Open Door diplomacy of America. In

the neutralization proposal, Russia capitulated a second time to Japan, but through fear.

To make clear America's subsequent situation in the Pacific, America's diplomacy may be expressed with the same brevity. When Japan decided to act upon a new plan of empire on the continent, she left to future events the revelation of her purposes. It was impossible to believe in the beginning, but in the course of two or three years we could finally clearly perceive that Japan's claims of special rights could not be made to agree with her pledges, with Ito's view of Manchuria upon which the peace was made, and with similar pledges of the great powers.

When we began to take action in China in the interests of the Open Door, we were drawn into it in the belief that things were drifting — not that Japan was the *deus ex machina* of them. What America knew now was that during four years preceding her neutralization proposal, Russia made every effort to dispose of her railway, cautiously at first, and unknown to Japan, so as to place a neutral power or combination of powers between herself and Japan; that these two nations kept up a suspicious, apprehensive surveillance of each other respecting these plans, without a break, until our proposal came.

Then, when Japan had stalked Russia into a political *cul de sac*, from which, in her stampeded condition, she could not escape unaided, America merely put together the unsatisfied aspirations and desires of Russia, and the past pledges and present Open Door professions of Japan, and with careful consideration of the interests of all concerned, drew up, in the fulness of time, what had been premature in the Harriman plan. The famous neutralization proposal offered

Russia her desired opportunity of escape from Japan, and it gave Japan a final opportunity to justify her many pledges, to realize the restrictions of European aggression in China, and promote the unrivaled opportunities for commercial and industrial expansion on the continent, which our general aid would give. It was the next logical step, both in America's Hay policy and in the interests of the rights of the powers, for the preservation of the Open Door and the integrity and sovereignty of China.

Political secrets from behind the scenes in Japan, Russia, and England tell the story from this point. In her solitary fight for the Open Door and the preservation of China, the most important consideration for America appeared to be the attitude of Europe, especially of Japan's ally, Great Britain. To her, as a great world power and Japan's ally, America first turned in her disinterested effort to solve the Manchurian question. On November 6, 1909, the neutralization proposal was submitted to her, with the implied understanding that it would elicit from Great Britain an indication of the probable attitude of Japan, between whom and herself complete confidence and interchange of information and official views on all things vitally affecting their mutual interests in Asia were provided by covenant.

After consideration, Britain returned a favorable reply, adhering in principle to the proposal, and by her correspondence conveying the decided impression in Washington that the proposal would be considered regular if America desired to go further.

Therefore, our Government assumed that Japan was acquainted with its intentions, and considered that she had not only not offered any legal objection,

but had not urged physical obstacles or given any discouragements. But in order to satisfy any doubts in the matter, by giving time for possible opposition to develop at Tokio, St. Petersburg, at Paris, or even in London, Secretary Knox waited more than one month before proceeding with the identical proposal to the powers.

On December 16, 1909, after forty days, America submitted the proposal in Tokio, about the same time (allowing for official convenience) in St. Petersburg, and in Paris, London, and Berlin. It then developed that far from being accepted as a regular diplomatic proceeding, it was regarded officially by the Manchurian allies as unusual and irregular.

Something had happened. Ere Christmas arrived, a complete plan was formulated between St. Petersburg and Tokio. The exchange of correspondence extended to London and Paris, and even to Berlin, where Germany, from the cue it had taken from these activities of the Manchurian allies, was able to frame its reply to America with reference to the fate held in store for the proposal by the allies. America had not gone against Japan alone; she had gone against four powers.

The delicate balance of the world's affairs at that time, as centered in Manchuria and East Asia, is shown by what happened. A fixed program to extinguish the proposal was agreed to in St. Petersburg (Japan still went to Russia), embracing three provisions: first, the proposal to be rejected on a date to be determined after its exposure in the press, and after informing China of its defeat, in identical notes, by Russia and Japan to the American Government; second, Japan (as the paramount power in Asia) to inform

China of America's defeat in her plan, and to deal with China for her complicity in it; third, Russia to communicate the proposal to the press, either at St. Petersburg or Peking.

By this arrangement, Japan allowed Russia technically to exonerate herself from the imputation of having previously entertained the idea of any such project; it exacted from Russia first recognition of Japan in the latter's new policy of empire, as the paramount nation in East Asia; and closed Russia's mouth against complaining of Japan's openly bullying her and dominating the Manchurian allies. It gave to their action the appearance of united policy.

Britain and France, the corresponding allies, were to hold aloof. No recognized communications were to be sent to Peking, except by Russia and Japan to their ministers, and these ministers were not to discuss matters with each other. At Christmas, they received instructions to this effect, and also that they were not to discuss matters with the French and British ministers.

On January 5, 1910, Russia let loose the proposal to the press at St. Petersburg. A fortnight was allowed for press discussion, to air the matter. A newspaper ebullition followed, as I have shown, especially in Japan. Obstacles to the proposal, particularly the sensibilities of the two powers, Russia and Japan, were exaggerated, and especially in Japan was feeling aroused — the main object of publicity on Japan's part, where every public man of importance expressed opposition to the proposal. America was held up to ridicule, and a date was selected by Japan and Russia for formal rejection of the proposal.

On January 20, 1910, Japan performed her self-appointed task of dealing with China in the matter,

as I have shown, and then it appeared that the twenty-second of January was the date set for declining. The prearranged notes of rejection were that day handed to America at Washington.

Britain, on the face of things, had taken one of two courses. She had either shunned Japan in the matter, through timidity, contrary to America's anticipations and permitted by the terms of the Anglo-Japanese alliance, and as America believed she had done, or she deferred to Japan's wish for the defeat of the proposal so as to discourage American activities with reference to the Open Door, to the maintenance of which she was pledged. The charitable view taken in Washington was that Britain used her technical position to avoid her responsibility in the matter of the Open Door. She accepted an opportunity for abating the active principle of the Open Door, — which, interpreted with reference to China's rights, was irksome to herself, as an ally of Japan, and to the three other allies, — and for widening the existing breach between Japan and America. As may be seen, this would work to her advantage as well as our own should the interests of the two countries come to a final arbitrament in the Pacific. But the fact is that Great Britain was not prepared to oppose Japan. She was in hardly a better position on the south than Russia was on the north. And we were learning that the relations, even of allies, in the world politics of Manchuria, were anything but easy.

The public, as represented by the press generally throughout the world, showed lack of knowledge of these affairs. Perhaps the most important thing of all, in connection with the future, was overlooked entirely. Russia's anxiety was to know how far our

policy would be supported in whatever it might lead us into. The neutralization proposal had weaknesses I have not mentioned. The opportunity which it gave to Japan to make good her pledges embarrassed and angered Japan. And, since her contrary policy had been determined upon, she had lost Ito in Manchuria, an episode not calculated to modify her exasperation at us. It was bungled in London: it was not reasonable, in view of her weak and equivocal position in China, and the world tension over these affairs, to depend upon Great Britain's sounding Japan. It was not reasonable to take Russia's approval for granted. We should have taken nothing for granted. Under Secretary Root, America had neglected China, especially Russian Manchuria, and Russia, beset by Japan, felt that to accept our proposal would be to lean on a broken reed. Nevertheless, up to the very eve of January 5, 1910, when she made public the contents of our proposal, Russia asked for assurances that the United States would take whatever measures were necessary to carry out the principles involved in the proposal, if it were accepted. She was favorable to it, she was opposed to closer relations with Japan, and rather than that looked to an alliance through China and the Open Door powers. Had she received a measure of material support, she would have joined us, and the story of East Asia would again have been rewritten.

But by this time Japan's Ambassador, Motono, had won over Iswolsky, the Minister of Foreign Affairs, and, the party of Kokovtseff being discredited by the tension injected into the situation by our Harbin policy, Ito's death, our bungling diplomacy, and other considerations, on July 4, 1910, after four years of unavailing denial of Japan, Russia signed with her an agree-

ment by which she surrendered her voluntary right to dispose of her railway, and covenanted to preserve the *status quo*. The paramount need of a separation of Russia and Japan was defeated in a "predatory pact", based on "Article VI", and all other claims to special rights of Russia and Japan in China, and looking to the immediate partition of territories in Northern China. In this pact were united all the frontier powers of China, known as the Manchurian allies. It showed the conquest of the European diplomatic powers by Japan, and the cementing of their joint policy in opposition to the principles of the Open Door. And Japan paid her respects to us badly by the selection of the day on which the agreement was signed.

CHAPTER XI

Japan's First Victory

This was Japan's first victory. The life of the Open Door and of John Hay's work was at its lowest ebb.

The apparent importance of Japan's diplomatic victory over America in the foremost political doctrine in world affairs, especially when viewed with reference to the humble position Japan had among the powers before the war, when Russia, France, and Germany had bulldozed her out of lower Manchuria, was colossal. Events have shown that by this Japan had us virtually eliminated from China for years. In five years she had rendered Hay's policy nearly obsolete. America, as a political influence in Asia, was *hors de combat.*

The most delicate subject in America's foreign relations since 1909 has been the neutralization proposal. How to restore confidence with Russia and Japan was a question with which President Taft and Secretary Knox wrestled for more than a year. And their successors tackled it. Lack of confidence borders dangerously on hostility and war. No admitted explanation of Britain's part in that diplomatic incident, so far as can be found out, has ever been made to Japan, to Russia, or to France. They were carrying all they could bear in their own troubles, and still are. No

challenge could provoke the Taft Government to explain its diplomacy with respect to that measure, which, if done, might have been misunderstood by all our political opponents. In view of Britain's apparently helpless infidelity to her Open Door pledges to us, as against her fidelity to Japan, she was not likely to go out of her way to set Japan, Russia, and France right in the matter of America's position and efforts. We had to shoulder the wages of our own sin of bad management. In 1910, the Government at Washington was still hoping that an opportunity would present itself to allow an explanation to be made.

But the breaking down of our position during several years could not be remedied now. There were insidious leaks left uncovered in the past that could not be so unceremoniously stopped. And in this low ebb of the Open Door came revolution to give it perhaps its final blow, by upsetting the currency loan. The action of the special finance commissioner, Sheng Hsuan-huai, who was one of China's earliest advocates of a currency system, sound money, and of modern finance for China, in pressing the loan policy in the face of such misguided revolutionary opposition as he encountered, showed how urgent China's ablest and best informed officials regarded the questions of reform, and of strengthening the central government by increasing its powers and revenues. On the other hand, the action of Na Tung in opposing the signing of both of the loans, due to the representations of Japan regarding the danger of a further extension of Western influence in East Asia, made especially to him, indicated an apprehension on the part of one of the highest Manchu officials of the political dangers of the Government's loan policy. Japan was armed cap-a-pie for the loan contest.

As the process of revolution continually going on in East Asia is the result of Western contact, and of Western influences largely traceable to America, as pointed out by eminent Japanese, it is natural that upheavals dangerous to the plans of Japan for dominating East Asia should be charged by her against us. Considering the extensive activities and interests of Japan in China, it is also natural that Japan should consider our two countries as the principal figures in China's modern revolutionary rebellions.

In October, 1910, the revolution broke. It was a grave situation for Japan's plan of empire, but she entered this crisis with greater prestige than she had ever before exercised. Her diplomatic stride after eight years was apparently still lengthening. She found not only her European allies, but the American Government, agreed as to the advisability of the continuance of the monarchical system in China. But the revolutionary movement was moving in the direction of a republic, as exemplified in the American system. This was the result of the movement which Japan had abetted through Na Tung and the revolutionary element, in directly opposing the currency loan and the Western influences which would be introduced into China through them.

In April-May, 1911, the Japanese press attacked the loan. The *Hochi* called it "a plotting loan" and said: "We fail to see how America can rid herself of the charge that she has been guilty of tricky diplomacy, which can but induce us to expand our navy. If we do this, America will be in no position to protest, because if we cannot become a continental power we must become a maritime one." The *Yomiuri* characterized the consummation of the loan by the four

powers a failure of Japanese diplomacy and a blunder which would call for "concerted action on the part of Japan and Russia to rectify." An interview attributed to a Japanese diplomat described the loan as "the insolent action taken by China and the four powers against Japan in Manchuria." The *Mainichi*, by calling it the "irretrievable blunders of our Foreign Office authorities", focused Japanese opinion that American diplomacy had defeated Japanese.

On May 29, Japan and Russia asked to be taken into the loan, and it did not come up again until the revolutionary rebellion in China was reaching its conclusion. And Japan was ready for it, as she had always been: Japanese diplomacy was by no means the delinquent the savage public in Japan made it out to be. After "taking stock", Japan, in February, 1912, made overtures to the Republican Government established on the Yangtse River. Seeing the imminent possibility of a republic in China, she proposed indirectly to the Republican Government at Nanking to supply it with arms and munitions, and to build up its army and navy and provide it with funds, on the security of the minerals and steel works adjacent to Hankow. She had taken a leaf from America's book of loan enterprise in China.

As the republic was verging on bankruptcy, and might be forced to capitulate to Japanese overtures, the circumstances were communicated to Washington, and through the good offices of the United States and Great Britain, a compromise between the North and the South was arranged in China, and Japan's scheme for profiting by the revolution failed.

Knox entered upon a final great effort. In 1912, the Anglo-Japanese and Franco-Russian allies, having

now become the four Manchurian allies associated for the remaking of international relations in East Asia, Central Asia, and Europe, we saw that the mutual interests of the powers in East Asia, and the preservation of China, must be based upon rearrangement and readjustment, to the interests of the Manchurian allies, of the Open Door principles.

In August, Japan and Russia were admitted to the currency loan which now became a currency, administration, and industry loan, for reform in these three directions and involved not less than three hundred million dollars. Six powers thus united in a revision of the principles of the Open Door presented by us and devised on the immemorial principles of our intercourse with all powers in China, both those of the Open Door and of special interests.

The coalition of the six powers was based on the principle that the prosperity and development of China were the source of their best interests there, and it provided loans to China for developing her resources and making competent her administration. It involved associate supervision in coöperation with China of the work of development and administration. It had the great advantage over the menacing wild-cat system of the past known as the "gun-boat policy", and that which had lately grown up, known as "special rights", in that it provided legality and control in the interference in China's internal affairs, while the worst that justly could be said against it was that it promised to China such benefits as the administration under Lord Cromer had conferred upon Egypt in the financial and industrial direction of that country, or the rehabilitation of Turkey by the commission method.

But we had come upon a new era. The revolution

which descended upon China, sweeping away the Manchu monarchy and replacing it with a republic, had saved Japan's plan of empire from the Six-Power Loan. It had given time for an expression of resentment against finance and capital and the so-called "money power" in the United States, and the election of a new government to repudiate the means secured by the happy coalition of the six powers for upholding the Open Door policy and saving China.

CHAPTER XII

America's Retreat

The predatory powers of Europe and Asia were now "traveling in packs" on the Pacific. The "predatory pact", signed at Japan's instance on our national birthday, augured ill for American equal rights of commerce and trade, as had the revolution. We were already slipping rapidly backwards when the newly elected President in Washington gave to our Open Door efforts the last kick. Without questioning the motives and good faith of any one concerned, it can be said that on March 18, 1913, President Wilson gave the death blow to the defense and salvation of the principles of the Open Door doctrine, and to our financial and industrial enterprises for the protection of our commerce in China, by withdrawing support of the international loan and repudiating our own Government's position. The President's words were:

"The conditions of the loan seem to us to touch very nearly the administrative independence of China itself; and the Administration does not feel that it ought, even by implication, to be party to those conditions. The responsibility on its part which would be implied in requesting the bankers to undertake the loan might conceivably go the length in some unhappy contingency of forcible interference in the financial and even

the political affairs of that great Oriental State, just now awakening to a consciousness of its power and of its obligations to its people. The conditions include not only the pledging of particular taxes, some of them antiquated and burdensome, to secure the loan, but also the administration of those taxes by foreign agents.

"The responsibility on the part of our Government implied in the encouragement of a loan thus secured and administered is plain enough, and is obnoxious to the principles upon which the Government of our people rests.

"The Government of the United States is not only willing but earnestly desirous of aiding the great Chinese people in every way that is consistent with their untrammeled development and its own immemorial principles. The awakening of the people of China to a consciousness of their possibilities under free government is the most significant, if not the most momentous, event of our generation."

President Wilson's declaration was the most important policy advanced by our Government since the declarations of 1900 secured by it from the powers, again setting up the Open Door doctrine. It traversed at least the practice respecting East Asia of every other President since Polk. Yet he did not hesitate. In rights and advantages secured, that constituted a great asset to the nation, he took no account of the Government, of Congress. He assumed that what had accrued by the acts of the President and Cabinet could be flung away by it. He answered for everybody.

On January 26, 1914, in New York, Secretary Bryan made an authorized official explanation of President Wilson's reversal of the Government's policy respect-

ing the loan and the means taken for defending the principles of the Open Door through industrial development and control of the physical forces that were directing China's fate. Said he:

"The President's policy contemplates the formation of an environment which will encourage the growth of all that is good . . . the Government, while it cannot create trade, can give to trade an environment in which it can develop. . . . If by a cultivation of higher standards of morals we can assist any people anywhere to improve their moral standards, we shall not be without our reward.

"Whether we view the world, therefore, from a purely material standpoint or from the standpoint of religion, we must, if our force of reason is intelligent, reach the same conclusions, viz., that we only build enduringly when we endeavor to raise the level upon which we all stand."

An honest and able effort was made by the hearers of these words to know and realize what they meant, and concurrence of the best opinion resulted in the conviction that the Secretary, and before him the President, meant that promotion of the material interests of our country represented by trade with, and industrial development in, China had its basis in the securing first of the moral welfare of the Chinese people. In this Secretary Bryan traversed the principles upon which had acted our Secretaries of State who preceded him back to John C. Calhoun, notably William H. Seward, who forty-four years before, at Hongkong, on the scene of the first coöperation of missionary, moral, and religious and commercial enterprise for the promotion of commerce and the welfare of the Chinese people said:

"The Christian religion, for its acceptance, involves some intellectual and social advancement, which can only be effected through international commerce. I look therefore chiefly to commerce for the regeneration of China — that commerce to come across the American Continent and the Pacific Ocean."

In referring to the forces which guaranteed the continuance and increase of that commerce, Seward named the material necessities first, and said there was "no assignable measure to the future expansions of the intercontinental regenerating commerce." Through commerce, Seward saw China's salvation. Wilson had got back to Root's course of drifting, respecting the Pacific.

The defects of President Wilson's statement as showing our relations with China and the powers, China's position then, and her abject condition as the largest nation in a now thoroughly sad world, were only too evident. The course of action ever had led to conflict and "forcible interference." Taxes ever have been "antiquated and burdensome." All taxes on foreign commerce, part on native commerce, and all postal revenues in China were administered by foreign agents. The practical conditions of China's problems might be obnoxious, but they had not deterred our missionaries, traders, and financiers from needful and essential efforts to better them. The "untrammeled development" of the Chinese people had never had any existence; it was and is something unknown, and the fact that there was no prospect of it was the cause of the financial measures of safety and progress devised by the governments, in the Six-Power Loan. China's development was entirely due to pressure of the West and the operation of the principles of the Open Door

and of extraterritoriality and the consistent interference and influencing of China's intimate internal and external affairs by foreign powers, including the United States.

The "immemorial principles" of our Government in its relations to China and the powers had been those of intelligent acceptance of the practical conditions and inevitable facts of extraterritoriality, which we had steadily practiced since not later than July, 1844, and in principle since 1821. Extraterritoriality as practiced in China by first treaty sanction of the United States for seventy-one years was in effect the supreme law of interference in China's affairs, especially her private internal affairs. They were not only the steel, concrete, and granite sills of all China's commercial and industrial development, but they underlay the development of Siam, they supplied the modern foundations of the Empire of Japan, while our vast missionary establishment in China, involving more wealth and exerting a more extensive benevolence and practical support to the Chinese people than all other missions in China combined, had as its cornerstone the exercise of rights alienated from China, gripping her innermost vitals, and forming the widest of all scars across her corporal sovereignty.

But we did not intend that the exercise of interference in the form of extraterritoriality should be followed by the alienation of territory and the transfer of administration to foreign powers. Now that it had come, the way was parted, and those friends of China who have placed their faith upon our Government could prepare for a last look at what they had stood for and what our Government had stood for, because China's treaties with all the powers, and all of her

treaties with the powers, except perhaps only Japan, molded by us to enclose China, were turning to scraps of paper.

Our movement into foreign affairs after the Revolutionary War was so rapid that Washington's words were hardly cold before we were involved in the Pacific in the course of things which he prescribed in the Atlantic. Almost at once we were involved, as we now know was inevitable. We shunned the Atlantic, and we have tried to ignore the Pacific, and this is the result — the rebound of what has been regarded as our immemorial principles. In contrast to the views of the administration on the wisdom of its policy, the moral interests at stake, represented in our missions in China, immediately appealed to Washington for intervention. Two missionary commissions from China visited Washington. Their whole need was the Six-power Loan, the natural operation of the combined forces of the material interests of the great powers. The theory and ideal of President Wilson and Secretary Bryan were found to have no more weight in East Asia than in Belgium. The practical affairs that were deciding the future of China and the interests of all powers there were the material interests of Japan, directed by diplomacy, and enforced by the moral and military support of her allies.

A policy that forced Secretary Root to abandon contention against Russia's administration of Harbin, and Secretary Knox to acquiesce in Russian and Japanese claims to sovereign authority in the railway zones of Manchuria, the abandonment of our treaties with Korea, of our railway concessions north of the Great Wall, the alienation of Outer Mongolia, which Russia forcibly accomplished immediately after her

predatory pact with Japan, and forcible demands of extension of special rights in agreement with a policy based on principles the opposite of those of the Open Door and equal rights, — a policy that aims at and seeks the undermining of all treaties in China, and their rewriting as those with Korea are rewritten, and of Manchuria as well, — left nothing of our rights in China unscathed.

When the loan policy of European nations began to oppress American interests in China, both American industry and the American Government were repentant of the collapse of American finance in China in 1905, when the Hankow-Canton Railway concession was given up. The Government then sounded the financiers on means for the protection of American trade in China. A financial alliance was formed by Jacob H. Schiff and others in coöperation with J. Pierpont Morgan, Sr., by which the Kuhn-Loeb-Rockefeller and J. P. Morgan and Company financiers enlisted to support the Government. When the Government was committed to the loan policy, and was already well along in those adventures, Schiff said: "We did not desire this business. We undertook it at the request of the Government. I have impressed upon our representatives that in their work in China they are to remember that money is not our main object, but that first of all we are working for the preservation of the market for our industries. And I think Mr. Morgan has said the same."

At that time it was not only a rôle which they had not sought, but they did not seem to regard it as one in which, as bankers, they were likely to win great profits. The profits in view were those which came from the expenditure of the loan money, and this came

to the manufacturers and traders of the country supplying the loan, who paid their own price for the financial services of the bankers. The system was exactly suited to conditions, and guaranteed a position of equality for American trade in competition with that of other nations in China. The Hukuang Loan, the Kinchou-Aigun Loan Contract, and the Currency Loan, with the auxiliary Six-Power Loan, ere President Wilson withdrew government support, stood as the redemption of American rights of trade in China and East Asia. American industry and finance were indebted to the Government for placing them in a position for waging the commercial battle in the Pacific, and the Government was indebted to American finance and industry for putting its diplomacy on its feet. The activity of America was, primarily, an effort to repair the dangers due to neglect in the past, and to fortify American interests and the Open Door. The latter, weakened through a period of years, was undermined. Our object was to build up the sense of mutual welfare among the powers throughout the great industrial regions of China, and the development of Chinese self-reliance and self-help; and as there could be no permanent Open Door without a competent China, to encourage self-competence and self-defense.

"What I want to see," said President Taft, "is that China develop her military strength and prowess so she can fight. What we want, is that China should be free in her own country. When she wants to build railways in her own territory, I don't see why she shouldn't build them. To have those powers who obstruct her say she cannot, is intolerable. I cannot tolerate that idea. I am very much interested in the development of China. I don't care how she develops,

but I want her to develop, and so that we will have a part in that development. I was interested in China when I was out there, and I wanted to do something for her. When Mr. Knox came to the State Department, I told him I wanted special attention given to China. The trade out there is going to be very important to us. We will gain more and more as time goes on, and we must act so as to get our share. We are investing money that will bring returns. We have been criticized for backing Wall Street, but why shouldn't we? Wall Street is our capital."

Speaking of the neutralization proposal which we offered as a solution of the great question of the powers in East Asia, Secretary Knox said: "I believe they will come to that yet. Although it was declined, it was a great proposal, and a great plan. Germany accepted it. Although Russia and Japan refused it, they admitted that it might be acceptable at a future time."

America's object of improving the mutual interests of the powers and of China through the improvement of China's finances and the growth of her industrial wealth was perfectly understood by Japan, and also by her allies. In the carrying out of this program, Japan's opportunities were relatively greater than were those of any other outside power, and she would have reaped a relatively greater advantage. Progress and development to make China and East Asia generally strong and prosperous, so that it would be safe from further European aggression, was what Japan had professed to stand for. But her resentment was colossal, out of all proportion to the relatively small and hitherto modest nation which she had been up to this time. This was the newest Japan.

These things shaped a situation that was a powerful condemnation of our manner of party administration in foreign affairs, which, by contrary opinion, indifference, incapacity, ignorance, cross-purposes or viciousness, makes those affairs shuttlecocks of domestic politics. But they were not so acute a damnation as that which was silently administered by the great business interests involved. Party administrations whose cabinet positions, often in the gravest moments, are at the mercy of their politicians, can upset precedents, repudiate undertakings, reverse policies. But big business, whose trusts must be upheld with integrity under numbers of presidents in succession, under long-term bonds or lease contracts, often for ninety-nine years, can be neither irresponsible nor fickle. In this instance, forecasting the consequences from a government elected on the issue of the evil of the "money power" and of big business, on June 1, 1912, six months before rotation in administration at Washington, the American banking group covenanted with the European groups to stand together for five years, and thus secured European protection in China, for American interests for which they were already trustees, and of which their own government, as I have shown, thereafter as certainly washed its hands as though it had been decreed by an inexorable fate.

From 1834, when our first envoy to East Asia, Edmund Roberts, complained of the Government's neglect to protect American trade in East Asia, resulting in the formation soon after of our "India Squadron", until after the Civil War, there were American officers and statesmen who paid the strictest attention to foreign interests, keeping watch over the growth of those great questions in East Asia and the Pacific which we

have in the twentieth century. It seemed now that the anxiety expressed by Seward, 1852, in the Senate Chamber over the bier of Henry Clay was justified, when he said: "The great lights of the Senate have set. . . . Who among us is equal to these mighty questions? I fear there are none."

With Europe, and all the problems of the world, come to the Pacific, it is a question whether the successors of Fillmore, Seward, McKinley, and Hay are the statesmen "equal to these mighty questions" to whom Seward referred.

CHAPTER XIII

China's Turn

On August 1, 1914, the world went to war. Almost it might be said a new era began, sprung from events which, as I have said, are the fiery, molten metal of immediate Pacific history. The Pacific was congested with the world's affairs, like the Atlantic. The European nations had their plans and alliances all made, and diplomacy removed from the West to take up its abode in Tokio. Going to war with Germany and her ally, as provided by the Anglo-Japanese alliance, Japan took Germany's outposts in East Asia. Following the fall of Germany's principal defenses at Kiaochou, and finding herself in possession of the larger part of German interests in Shantung, Japan seized her opportunity in the absence of all rivals, save ourselves, and fell upon China, as in the night.

Russia had gone far, after the "predatory pact", in alienating Outer Mongolia. Japan undertook to remake the Pacific and East Asia.

Europe had no time for the consideration of the situation, and the news fell unheard and unappreciated in America, because the country and the press were in a hyphenated condition over the World War, and Japan had taken good care to conceal her prospective action. The American correspondents of both the Chinese

and Japanese capitals were successfully shepherded in Tokio, where, under the war censorship, no news could be sent out. Her ambassadors were made to deny the truth, and to reassure the governments at London and Washington.

The Associated Press Peking correspondent left Japan with the knowledge of the situation, in haste for Peking, and on February 11, 1915, the Associated Press of New York, the *London Times*, and the *Chicago Daily News*, were offered a "scoop" of the great news of Japan's demands upon China, which had actually forced themselves out of Peking.

The *London Times* printed a brief summary. The Associated Press, representing more than eight hundred of our newspapers, questioned the incredible news and held it up a week, and in all the world only the *Chicago Herald*, February 18, was bold enough to print the text of Japan's demands. The *Washington Post* mentioned it, but it was March 31 before the Associated Press published the full text of Japan's program for remaking the Pacific Hemisphere. The Government at Washington placed a taboo on the subject and buried it. China had given the State Department the text of Japan's demands, but on conditions of secrecy, so that our Government was not alone responsible that we did not know.

There was a crisis in the political and news world. And it was not the least of its events that the Associated Press correspondent at Peking, humiliated by the distrust of his work and motives, resigned and withdrew from the Associated Press service. The situation called for a new consideration of Japanese affairs. The testimony of her Foreign Office showed that Japan's diplomacy was based on two things: the foreign

evils that flooded Japan the first ten years the country was open to foreign intercourse; and the abuse of international right and justice by Russia, Germany, and France in depriving her of the Liaotung Peninsula in Manchuria, 1896, after her war with China.

It took Japan more than forty years to eradicate the foreign evils that the floodgates of the Perry Treaty admitted in ten. It is among the things which make up the happy recollections of the two countries that we helped her. Through the aid of our advisers, and during the life in Japan of the last of them, Henry Willard Denison, and by his multitudinous works in Japan, they were all removed except the claim of exemption from taxation of certain foreign property in Yokohama, on which matter he was working at his death. We helped Japan to recover control of her commerce, to recover jurisdiction over foreigners surrendered in her first treaties, and to correct all the inequalities in all her relations with foreigners, by which her position before Western nations had been that of an inferior. Some were unfair concessions; some special rights, whose privileged proprietors had become fastened like barnacles upon the State, and were the cause of complications with foreign powers. With our help they were pried off like barnacles until the ship of state was free, and Japan had it to herself.

Then the inequalities put upon her by Russia, Germany, and France she quickly adjusted by successful war with Russia, — in which our help, rendered through Denison and Roosevelt and our bankers, notably Jacob H. Schiff, who found half her borrowed war money, was preëminent, — and also by the assault against German Kiaochou.

Japan then felt the call to "fulfill her destiny."

That was, to her, the achievement of the next most desirable thing, namely, the prying loose from East Asia of the great powers as she had pried off the barnacles of favored foreigners and special privileges from her own administration. If she could do so, international affairs in East Asia would be free from unwelcome intervention and feel their freedom, even as national affairs in Japan were free. Japan would then have East Asia essentially to herself; she would be no less than leader.

This was Japan's present work. That she was applying the simple rule to the powers which she applied to her concessionaires and other unwelcome ones, and against Russia, and that the rule of special right which had been tried against her she was practising against China, though, as Okuma then said, for "permanent peace and good understanding", there can be no doubt. There is no contrary evidence. It is the substance of Japanese oft-professed "destiny."

In all respects Japan's diplomacy since 1905, by which she found herself with the strongest allies in the world standing in the open with no rival and no visible enemy worthy the name of an antagonist, may be found to be the masterpiece of statesmanship of this century.

There was a day when Japan knew not diplomacy. In 1895, the conformation of the international world molded in the chancelleries of the great powers was new to her. International complications were getting pretty close when they reached Korea. She was surrounded, and knew well enough, by the most powerful of all human instincts, the military, that the gauntlet was down, and she would have to fight her way out. She chose the land route, for which she was prepared

— yet not prepared. In the conflict with her first opponent, China, she did not overlook the European powers in the background, but in her haste to seize territory she neglected to neutralize them. Consequently she had to submit to a revision by Russia, Germany, and France of her peace treaty with China. Japan had overlooked something. It was diplomacy. It was a shock; few but sympathized with her.

The nicety with which Japan landed on her feet in the present circumstances proved that diplomacy, the lost animal of that flock which she had gathered up and brought home from Western civilization in the past, had been found. After the Japan-China War she brought the animal home and tied him up between the Foreign Office and the residence of the late Henry Willard Denison, the American adviser. He was looked over, and those who love Japan most must admit that, black sheep as he was, Japan wickedly adopted him. In the next war, 1904–1905, Japan had fortified herself with an ally, Great Britain, and isolated her opponent, so that the terms of her martial success when expressed in treaty would be final, as they were in Portsmouth.

Nineteen years after there was no evidence of the tyro. Japan's alliances and her diplomacy, in connection with the loan or Open Door activity of America, especially the neutralization proposal, in all respects bear out that statement. She had paid high prices for her new position. The four years' process of her love-making with Russia was one of the coyest of international courtships. Japan's overtures were several times most humiliating and excruciating, as at one of the embarrassing meetings, where, as I have said, Prince Ito, one of the foremost men in the world, was coldly assassinated, and died in the presence of the

Russian envoy. One of the results of her sacrifices was that they placed her in the political line-up for the approaching European war, all of whose details, as also I have shown, were discussed in the field in Manchuria in connection with the Russian-Japanese War by European military agents, staff officers, and journalists and publicists alike. Japan's success in the quadruple alliance of Great Britain, Russia, France, and Japan was one of the processes by which the coalition against Germany and Austria was brought about, with Japanese present mastery in China and East Asia.

This was Japan's opportunity to carry Japan's plan of empire to Peking. Since Secretary Knox's effort of 1909, — awkwardly carried out but heroic, — to erase "Article VI", and to remove the solvent that was undermining the Open Door doctrine, Japan secured the July 4, 1910, agreement with Russia for the defense of the *status quo;* and, on the basis that a unity of opinion between them constituted the key to the China problem, in July, 1912, effected an understanding at St. Petersburg through Katsura for taking in hand the destinies of East Asia. Japan had built two additional railways in Eastern Manchuria, had annexed Korea, which resulted in the alienization by Russia of all Outer Mongolia, had secured concessions for four railways in Mongolia, together with an extension of the lease of the railways carrying the right of "sole and exclusive right of administration" of railway territories to ninety-nine years. Railway sovereignty, as set up by Japan, carried with it control of all commerce and development, and had removed all of Manchuria and Eastern Mongolia from that China known to us as the theater of the principles of the Open Door,

and converted it into a joint sphere of special Japanese-Russian rights.

Now came Japan, in the crisis of the world, with a masterful diplomacy and arms, military lord of a helpless nation of perhaps three hundred millions of people, inhabiting a region in size and wealth of resources and in all favorable points second to that of no other people or nation, and demanded uncontrolled extension of special rights, in five groups of demands.

Prefacing this with a sincere statement of a desire to maintain the peace of East Asia, and under the intention of "strengthening the friendly relations existing between the two neighboring nations", she required the right to dispose of Kiaochou, which she had just taken from Germany, concessions for railways and mines, the control of railways, mines, and mining regions, the extension of territorial and railway leases, the lease of land, the right of residence and business of all kinds, together with the extension of exterritoriality, the veto over railways and over security for loans, advisers to the Chinese, the disposition of islands or ports, a market for munitions of war, for war and arsenal materials and loans, and the right of police masters and of advisers to the central government.

Aside from industrial concessions, loans, leases, and police matters, Japan demanded the extension of sovereignty and exterritoriality exercised by her under special rights, in railway zones, and by equality of right in treaty ports, to the country at large in Manchuria and Eastern Mongolia. She demanded what would be joint administration of the whole Japanese sphere north of the Great Wall, while under the circumstances of her leadership she proposed to place in Peking those advisers that could never permit to be

wrought for China such achievements as Denison wrought for Japan. They would be government agents imposed by diplomacy, and their business would be necessarily that of loosening the powers from China.

Japan had disposed of the question of Russia, and of us. She was now "handing it" to China. After five years she was punishing China for attempting a foreign policy, for presuming statesmanship.

It was better for Japan, if she could manage the powers herself, to have *them*, rather than a Chinese foreign policy, in East Asia. And now she *could* manage them, and China also. There existed a combination of circumstances in the world which gave Japan a free hand in the Pacific, unhampered even by ourselves. We did nothing. In the withdrawal by President Wilson, Japan saw that we were abandoning the position of defender of China's integrity, the Open Door, and the treaties, and returning to the position of their apologist. Russia stood united with Japan by their almost innumerable "ententes", "understandings", "supplementary clauses", "minutes", etc., and their allies, behind whom they stood, stood in turn behind them. It had been an open question for at least six years whether the Open Door doctrine would afford any appreciable protection to China in an emergency. Here was the emergency, and one the like of which China never had seen. The only barrier to the realization of Japan's demands was the traduced Open Door doctrine.

It is evident that Japan never would have embarked so far upon her extensive program if she had not believed in a long duration of hostilities. Her action, as a commentary on the World War, and upon her opinion of the United States as the champion of the

principles of equal rights of all nations in China, and the integrity of China's territory and the preservation of her sovereignty within it, was no less illuminating than in what it revealed of how immense was the force of the world, marshaled by Japan, in shaping affairs the most vital to us of all possible issues in this world.

Japan fulfilled the terms of the Root-Takahira agreement and of internationally written paper which she had signed that is measured by weight rather than counted, and paid her respects to the great powers who had been signatories in it with her, by handing them an excerpt of her demands upon the Chinese Government numbering three hundred and twenty-six words. The full text of her demands handed to China, amounting to one thousand and thirteen words, is as follows:

Group I

The Japanese Government and the Chinese Government, being desirous of maintaining the peace of Eastern Asia and of further strengthening the friendly relations existing between the two neighboring nations, agree to the following articles:

Article 1. The Chinese Government agrees that when the Japanese Government hereafter approaches the German Government for the transfer of all rights and privileges of whatever nature enjoyed by Germany in the Province of Shantung, whether secured by treaty or in any other manner, China will give her full assent thereto.

Article 2. The Chinese Government agrees that within the Province of Shantung and along its sea border no territory or island or land of any name or nature shall be ceded or leased to any third power.

Article 3. The Chinese Government consents to Japan's building a railway from Chefoo to Lungkow to join the Kiaochou-Chinanfu Railway.

Article 4. The Chinese Government agrees that for the sake of trade and for the residence of foreigners certain important places shall be speedily opened in the Province of Shantung as treaty ports, such necessary places to be jointly decided upon by the two Governments by separate agreement.

GROUP II

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the specially favorable position enjoyed by Japan in South Manchuria and Eastern Mongolia, agree to the following articles:

Article 1. The two contracting powers mutually agree that the term of the lease of Port Arthur and the term of lease of the South Manchuria and Antung-Mukden Railway shall be extended to the period of ninety-nine years.

Article 2. Japanese subjects in South Manchuria and Eastern Mongolia in erecting buildings for the purpose of trade and manufacture or for farming shall have the right to lease or own land so required.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Mongolia and to engage in business and in manufacture of any kind whatsoever.

Article 4. The Chinese Government agrees to grant Japanese subjects the right to work mines in South Manchuria and Eastern Mongolia, such mining places to be jointly decided upon by the two governments.

Article 5. The Chinese Government agrees that in respect of the two following subjects mentioned herein below, the Japanese Government's consent shall be first obtained before action shall be taken:

(*A*) Whenever permission is granted to the subject of a third power to build a railway or to make a loan with a third power for the purpose of building a railway in South Manchuria and Eastern Mongolia.

(*B*) Whenever a loan is to be made with a third power pledging the local taxes of South Manchuria and Eastern Mongolia as security.

Article 6. The Chinese Government agrees that, if the Chinese Government in South Manchuria or Eastern Mongolia employs advisers or instructors for political, financial, or military purposes, the Japanese Government shall first be consulted.

Article 7. The Chinese Government agrees that the control and administration of the Kirin-Changchun Railway shall be handed over to the Japanese Government, to take effect on the signing of this agreement, the term to last for ninety-nine years.

Group III

The Japanese Government and the Chinese Government, desiring that the Japanese financiers and the Hanyehping Company shall have a more direct and closer interest than at present, and also desiring that the interests of the two nations shall be further advanced, agree to the following articles:

Article 1. The two contracting powers mutually agree that when the opportune moment arrives, the Hanyehping Company shall be made a joint concern of the two nations, and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the property rights and interests of whatsoever nature of the Hanyehping Company, nor cause the said company to dispose freely of the same.

Article 2. The Chinese Government agrees that all other mines connected with the Hanyehping Company and mines in the neighborhood of mines so connected shall not be permitted without the consent of the said Company to be worked by other persons outside the said Company, and further agrees that in any mining operation which directly or indirectly affects the interests of

the said Company, the consent of the said Company shall first be obtained.

Group IV

The Japanese Government and the Chinese Government, with the object of effectively protecting the territorial integrity of China, agree to the following special articles:

The Chinese Government agrees that no island, port, or harbor along the coast shall be ceded or leased to any third power.

Group V

Article 1. The Chinese Government shall employ forceful Japanese as advisers in political, financial, and military affairs.

Article 2. In the interior of China Japanese shall have the right of ownership of land for the building of Japanese hospitals, churches, and schools.

Article 3. Since the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases, which caused no inconsiderable misunderstanding, it is for this reason necessary that the police of important places (in China) shall be jointly administered (by Japanese and Chinese) or that the (Chinese) police department of these places shall employ numerous Japanese for the purpose of organizing and improving the Chinese police service.

Article 4. China shall purchase from Japan a fixed ratio of the quantity of munitions of war (say above 50 per cent) or Japan shall establish in China a jointly worked arsenal, Japanese technical experts to be employed and Japanese material to be purchased.

Article 5. China agrees to Japan's right to build a railway connecting Wuchang with Kiukiang and Nanchang; also a line between Wuchang and Hangchou, and a line between Nanchang and Chiaochou.

Article 6. China agrees that in the Province of Fukien, Japan shall have the right to work mines and build railways and to construct harbor works (including dockyards) and in case of employing foreign capital, Japan shall be first consulted.

Article 7. China agrees that Japanese subjects shall have the right to propagate Buddhism in China.

China was in a tight place. The ideal compact for her, of the great powers in the Six-Power Loan brought about by Knox, she had destroyed by weakness and perfidy. She could have closed it at one time by a happy agreement of all concerned. But she quibbled and lost, with the result that the Western powers were practically eliminated, and she was now left to face Japan alone. Japan had China in a situation out of which there was no escape, and she proceeded to drive home a lesson which she had long sought to administer.

The chief terror to the Chinese, thus caught alone with Japan, comes from the guilt of having long played the powers against each other and against Japan. The mock magnanimity which Japan displayed toward her, because of her conspiracies in the past with aliens, something worse than gall, brought home to her the penalty sensed by Kipling in the lines:

> "The sins ye do by two and two,
> Ye pay for one by one."

The reproach of truckling to foreigners, which Korea mistakenly administered to Japan, Japan effectively applied to China. *Why did you do these things? You were the one who brought exterritoriality upon us; Why did you give away these concessions, these ports which we have had to fight to get back for you?* are some of the questions China had to listen to from Japan.

President Yuan Shih-k'ai had asserted that the year 1915 would be the crucial year in the history of the republic. Its only friend was the United States. Japan was against it as being a canker in a great, weak organism. Against the menace of 1915, having been unable to fortify itself with the proceeds of any foreign loan, with no allies, without military defense and protection, and deprived in everything of the sanction of its powerful neighbor and rival, China was left to her one weak resource against her enemies — the boycott.

Realizing that a day of reckoning had come, all Chinese communities abroad were secretly warned that the Government at Peking could not officially countenance boycott or open hostility to Japan, but that it expected the utmost assistance which China's subjects could peacefully exert. How to preserve the Open Door and the equality of right which she had guaranteed to the powers, when most of them were absent, fighting for their lives, and those who were not refused to look around, was a large order for China. She, too, was fighting for her life. Her obligations to the powers, which had always been her chief asset in her contentions with her enemies, could not provoke the friendly mediation of any one of them. China could only gaze at her antagonist, whose most conspicuous feature was Okuma, the Japanese Premier. In 1911, when it was shown that the revolutionary outbreak in China was going to overthrow the Manchu dynasty, this man declared it to be the end of China, for incontestable reasons which he enumerated. China lacked all the essential elements of salvation that had existed in Japan in a similar emergency. Her Throne was not a rallying point upon which was centered reverent affection, and there was no large party or progressive leaders, who, to hereditary

prestige, added high intellect, profound foresight, and invincible courage. Moreover, she had no class of trained officials necessary to create the highly scientific organized government of modern times which her continued existence demanded, nor did she have the enormous sums of money with which alone this program could be realized. In consequence, China would plunge into debt and destruction, said Okuma.

These views prevailed everywhere in Japan. Henry Willard Denison, who was acquainted with the views of every important public man in Japan, told me shortly before he died that he held this opinion. That China considered it an evil day for her when Okuma became Premier was testified to by the understanding among millions of Chinese that Yuan Shih-k'ai attempted to arrange an understanding with Okuma before his elevation to the premiership. Okuma was a popular leader, noisy and astute, cabling his views abroad, and it required no imagination to perceive what were the sensations of the Peking Government when it saw his policy meeting with the popular approval, without provoking one important native protest.

Here in America, while the press refused to print Japan's demands, China saw it circulating the cabled views of Okuma, who said: "As Premier of Japan, I have stated and now I again state, to the people of America and of the world, that Japan has no ulterior motive, no desire to secure more territory, no thought of depriving China or other peoples of anything which they now possess. My Government and my people have given their word and their pledge, which will be as honestly kept as Japan always keeps promises." Which emphasized to China the fact that Japan erased

seven of her different international compacts of the years 1895 to 1907, styled treaties, alliances, protocols, agreements, arrangements, and conventions, in annexing Korea; that Ito declared that Japan would not annex Korea; and that any statesman or politician who prophesies what his country is going to do, or his successors, is ridiculous, and only lets himself in for the laughter of posterity.

Seven weeks after China sought publicity, she saw the American press, in printing Japan's demands, follow it with the statement by Okuma that "the uneasiness and suspicion in the United States in connection with Japan's negotiations at Peking are based on misunderstanding and misinformation scattered broadcast by interested mischief-makers."

"The negotiations between Japan and China are nearing a satisfactory conclusion," said Okuma. "I am now willing to state publicly that Japan is quite confident of the rectitude and good faith of her position. Japan is merely seeking to settle outstanding troubles and questions in a way looking toward permanent peace and good understanding." Without wasting time in questioning the good faith of Japan, China might have feelingly pointed out that perfect peace and good understanding were obtained by the young man and the tiger, with the young man inside of the tiger.

In this most important crisis of years in East Asia, threatening to make paralytic the Open Door doctrine, our Government did nothing that might embarrass Japan. It did nothing that might help China, either. And its reasons were these: The first four groups of her demands, Japan made public. "Group V" she kept secret. But as it was the most important, and took away all equality of rights from other nations, it

was almost certain to become known before China could be made to agree to it.

When this group of demands became known, and our Government made an inquiry with regard to it, Japan explained that she did not intend to press for "Group V", at which our Government professed itself to be satisfied. It "accepted" Japan's explanations, which had a remarkable resemblance to that mendacity in Japanese diplomatic intercourse which Townsend Harris named and to which he testified, more than to anything else.

As a matter of fact, there was no difference between Japan's demanding "Group V" as a part of her minimum demands, and putting it forward with them as a threat and a blind to get China's consent to the other groups. There was not only no moral difference, but no real difference. She imposed secrecy upon China, and badly as China wanted publicity, she was too well terrorized to allow us to make Japan's demands known. With China's only friend, America, entirely under the mental domination of Japan, had China been terrorized into accepting her demands outright, there never could have been any withdrawal. Once an accomplished fact, they always would have been a fact. There would have been no possibility of retraction, and the obligations never could have been suspended. China would have diplomatically hung herself. She was helpless, and how she ever escaped doing it is indeed another "Oriental mystery."

And as an answer to Japan's explanation of "Group V" and her action respecting it, in relinquishing her insistence thereanent, she formally notified China that she would present its demands later!

But we were again generous.

Any administration in this country which could accept Japan's explanation would be fairly entitled to be called the beau-ideal of ineptitude in diplomacy and foreign affairs, and would furnish all the explanation that is necessary of why there are sent abroad, especially to the Pacific, men who have no knowledge of the tasks which they accept, and are incapable of collecting the necessary information, or of forming correct opinions, respecting the welfare of our interests, national dangers, obligations, and opportunities.

There was raised for us the whole question of our position on the Pacific Ocean. While China was "eating the bitter sausage", to use the words of her sages, Europe was mad, America was hypnotized by the fact that war was still possible in the world, and no less than forty-six treaties, largely of our making, were dissolving before Japan's continental policy of control of China and its development, and forcible leadership of East Asia.

Japan's demands and her onslaught upon Peking involved the oldest foreign commercial and other national foreign rights and interests of the United States. Our connection with East Asia, especially the mainland, is identified with our national origin and birth. We were involved there before the existence of any other international power in East Asia, save Russia. If there is any place abroad where we can justly and properly interfere in foreign affairs, it is in East Asia, where our ancient interests lie.

In 1784, in the start-off, ours were sea legs, and we took to the water. We were shipmakers; our first important export was ships, and the only international and foreign thing we could do was in ships. We went, in as straight a line as a ship could take, to China.

Canton was our goal; we waited not for charts; we took our school geographies from the little red schoolhouse down the road and fetched up on the Pearl down Whampoa way, there by the pagoda, and we got there in 1784.

We entered China, carrying with us the intention of complete submission to China's laws on the principle that "be they ever so unjust we will not resist them." In 1821, two years before the enunciation of the Monroe Doctrine, the last act of ours in adherence to that principle was performed in surrendering at Canton the sailor Terranova to punishment by Chinese law. In this sense the Open Door and equality of rights doctrine is older than the Monroe Doctrine in the Western Hemisphere.

In 1844 we wrote extraterritoriality into the treaties of China; extraterritoriality,—the right of responsibility of foreigners only to their own laws, free right of trade and of travel, freedom from taxation, and in certain cases and to large classes universal right of free residence and free exercise, with no native restrictions of volition and vocation,—the instrument that is the means and defense of all interference in China's internal affairs, the practice so much condemned by President Wilson in defense of our imaginary virtues, and in withdrawing from support of the Six-Power Loan. By it seventeen nations in specific terms were let into China, "each one of which nations must consent to the abrogation or modification of the doctrine [of extraterritoriality] before China can exercise the functions of an independent sovereign power."

Without burdening the reader with the treaty phraseology, which he can observe at leisure, I will quote from T. R. Jernigan, our eminent ex-Consul General and in-

ternational lawyer of Shanghai, who has witnessed fifty years of our treaty's operations in East Asia:

"The Government of the United States was the first to declare itself clearly and definitely with reference to extraterritoriality and its application to China," says Jernigan. The American-Chinese Treaty of July, 1844, set up the rights of foreign merchants and missionaries; "the first unequivocal announcement of the principle was made in this treaty by the Government of the United States."

Our participation and interference in the affairs of China, internal and external, have expanded from that until the present moment. In 1859, we again largely rewrote and expanded the treaties, being the first to extend the rights of missionaries in China to superiority over the Chinese, and causing these rights to be incorporated at the same time in the French and British treaties and in others later. The rights of missionaries were the basis of the access to the interior of China, soon enjoyed not only by the missionaries of all powers, but by all travelers and merchants, all of whom enjoy extraterritorial immunity and protection.

The principles of the Open Door, already bespoken by Commander Kearny of our East India squadron, also were formally set up with the writing of our first treaty with China. This principle and the principle of the right to exercise interference in China's internal affairs went hand in hand. We proceeded to build up both of these together. In 1868, we signed the Burlingame Treaty for wider intercourse with Chinese in this country, but in 1880, on account of the greater benefit to China and in great contrast to that, we revised it to our own supposed advantage and in further defense of extraterritorial rights exercised in China.

In 1899 and 1900, under the direction of John Hay, our Government secured the formal adhesion of the great powers to the written principles of the Open Door, namely, equal rights of all nations in China and the integrity of China's territory and the preservation of her sovereignty within it. Great Britain, Germany, France, Italy, and Japan adhered, and the other protocol powers followed, making eleven more conventions added to the seventeen commercial treaties, in all twenty-eight, in support of the principles of the Open Door and in defense of the right of interference in China's internal affairs established by the American treaty of 1844.

In 1901, with ten other powers, we signed the protocol for the adjustment of China's obligations entailed in the Boxer uprising, and by its terms, solemnly binding ourselves to those powers and to China, we specifically obligated ourselves to interfere in China's internal affairs for forty years. That omnibus protocol treaty fixed the amount of the Boxer indemnity and made one of its securities the salt revenues, one of China's incomes associated in peculiar intimacy with China's most officially private internal affairs, about which President Wilson confessed himself so sensitive. The protocol is a sheaf of eleven treaties, which, added to the twenty-eight, make thirty-nine treaties in support of the principles of the Open Door, all in declaration and defense of the practice of interference in China's internal affairs, whenever, in the minds of the treaty powers, it seemed necessary to do so.

In emulation of our action in 1844 in first formally enunciating and setting up the principles of the Open Door and the principle of extraterritoriality in China and of thirty-eight subsequent treaties and conventions, two Russo-Japanese alliances, two Franco-Rus-

sian alliances, the Portsmouth Treaty, the Ching-Komura Convention, and the Root-Takahira agreement again reëstablished and confirmed the principles of the Open Door in China and the right of interference exercised under the principle of extraterritoriality, making in all forty-six living treaties, embodying the two cardinal principles governing all her foreign relations, and underlying the political existence of China, for which we are directly responsible. Therefore, we have certain definite, unmistakable, and unavoidable responsibilities and obligations in China.

This was the building-up work. The breaking-down processes were already exercising their influence. The fundamental weakness of the plan of relations between China and the powers to which we first gave form was extraterritoriality. Not content with this license, dissatisfied powers commenced the alienation of China's territory and the division of her sovereignty, thus exercising administration and control not only over their own people within her boundaries but over numbers of China's people and considerable areas of her territory. This we were the providential means of happily checking, temporarily.

Then followed certain breaks in the defenses of the principles of the Open Door doctrine. In 1904, unable to restrain two of the East Asian alliance powers, Russia and Japan, from military occupation of all of Korea, — suzerain to China, — and the Manchu Kingdom of three Chinese provinces adjoining, we made the insidious war zone agreement, which, though restricting land military operations within China's borders, at the same time sanctioned in them a flagrant violation of China's integrity and neutrality. In 1909, we followed with acquiescence in the rights claimed by Russia and

Japan of sovereignty in the railway zones throughout Manchuria. In 1910, we finally abandoned our Korean treaty, which had become a mere scrap of paper. And now we had passed into a state of demoralization and neglect of foreign affairs in the Pacific worse than that which characterized the State Department following the death of John Hay. In Hay we had begun again, in one man, to approach the stature of a world-citizen, such as, in Seward, we had begun to realize. They were evidences in our evolution of the pressure of the world to accept its invitations to world councils and world responsibilities. Under Taft and Knox we had gone farther than ever before. But now we had receded farther than ever before. We did nothing. The pendulum seemed at the farthest distance from its axis. And with President Wilson's declared reasons for scuttling in China, immensely worse than none at all, we were ready, now that the whole question of our position in East Asia was raised, to be kicked out.

CHAPTER XIV

Getting Rid of the United States

In the whirl of party administrations in Washington, merrily reversing each other before the populace and the world, with the President answering for everybody, the powers could only wonder where we stood. We were making intermittent stabs at foreign affairs, and there was no reason to expect anything for ourselves but to get roundly trounced in the Pacific. We were beyond Wilson's and the administration's depth there. And the situation moved far out of our reach.

It moved so far that Japan, who was complete master of the immediate destinies of East Asia, and who was the self-constituted divinity to drive us out, got somewhat anxious herself. As she was about to press her demands upon China to a conclusion, her allies in Europe sustained severe reverses at Neuve Chapelle, Ypres, at Dukla Pass, and along the Baltic, while Dunkirk was being shelled from the German lines twenty miles away with the most powerful guns ever constructed. Japan could not coerce China during the misfortunes, exasperation, and anger of her allies, nor the resentment of a world of her apologists and erstwhile friends, indignant over the *Lusitania* horror which was fresh in mind, and who had just been made acquainted with her demands. She suspended pressure,

and held "Group V", — her new high-power diplomatic gun, — over China and the powers in East Asia, pending the cast of the die in Europe.

Tricked out of its quarry, Japan's press complained of its disappointment as it did in 1905 when the United States was the means of a peace for Japan that deprived her of what she thought were her just dues, as fruits of her victories. And there was a sentiment that Japanese troops should have been allowed to make certain the supremacy of the Manchurian allies in Europe, and therefore in Asia, by participation in the war in Europe, in order to guarantee, by this and the diplomacy of the ultimate peace treaties, the outcome in Japan's great opportunity. But the intelligence that directed the arm held over China and the powers in East Asia had proclaimed only a truce. We wondered why this was, and took occasion to inquire into the reasons.

One of the factors placed foremost by the "kulturists" of Japan as a cause and justification of her rise and expansion is overcrowding at home, a condition that cannot be argued and a fact that must be dealt with. Greater Japan claims a moral right to more land as a sufficient territorial basis for the Greater Japan which destiny promises. In her neighborhood others, some of them alien rivals and possible antagonists, have set up rights in territories which she desires or where she desires rights, and are obstacles to her ambitions. This is Japan's own case.

It has been pointed out that the "Man from Mars", if asked to pass on such claims, would give large regions of other peoples' countries to needy Asiatic nations like Japan — in other words erase treaties, crush boundaries. In any case Mars will erase and crush them, a

fact that is no longer debatable in Europe, or in the Pacific, where the principle involved in the destruction of Belgium and of Serbia is firmly set up, even by the Manchurian allies. Both Russia and Japan jointly determined after their war that unless diplomacy could be made to weigh against boundaries, doctrines, treaties, and agreements supported by capital and other physical interests which they themselves did not possess, arms must, greatly flattering Russia by justifying the policy she had pursued in Manchuria.

But with Japan the slogan has always been "diplomacy first", and probably no political triphammer ever had the lightning punching power to outdo Japan's diplomacy, as is shown in her handling of China under the conditions created by the European war, especially by her demands upon China and by "Group V", the new Japanese diplomatic gun which sent its high explosive diplomatic shells into the world's diplomatic Dunkirk. Japan's diplomacy moved with seeming instantaneousness. An anti-diplomatic government like ours could no more follow it than a tortoise could follow a hare.

The most recent declarations of those prominent in the Japanese expansion movement show what Japan meant.

"It is Japan's mission," says Count Okuma, Premier of Japan, in *Japan to America*, "to harmonize Eastern and Western civilizations. We Japanese are given facilities to serve as interpreters of the Orient."

"I think it is a great mistake," says Fukui, Managing Director, Mitsu Products Company, in the same message, "for any nation to try to do business in the Far East without taking Japan's position geographically and commercially into consideration. Instead of look-

ing upon her as an opponent, they should consider her as a business partner," etc.

Japan's efforts and aspirations to be the intermediary between East Asia and the West are an attempt to fit herself into the world as both an Asiatic and a Western country. Her people have had many inventions for doing this, from that of proving themselves not Mongolians to showing themselves the exponents of Monroeism. And the main task in this was naturally that of getting rid of the United States in East Asia, as we now had no manner of doubt, because the Open Door doctrine disposes of the place of mediator between East Asia and the West, and interpreter of East Asia, to all powers and peoples alike. Japan had set herself the task of taking toll of the West, — of being the gatekeeper to East Asia, of recovering those rights of the Open Door doctrine for herself, — a diplomatic task under the ægis of Mars.

This was no small order. Since August 1, 1914, it had been a more important question with Japan than before as to what she would call her policy. It is not easy to displace the Open Door doctrine, which is the only discoverable basis of honor and right in the conditions which prevail in East Asia. How to displace it with any semblance of decency was the problem. The Open Door doctrine was still the mold of anti-bellum politics in East Asia. We had great interests in China, and our people were under the impression that in general the principles of the Open Door prevailed. So were most Britons. They believed those principles to be the general basis of all their dealings respecting China. Japan could not lightly discard the doctrine of the Open Door until something was found to put in its place. But it is obvious that with Russia as an ally in defense

of special right, supported by the entire quadruple alliance, the only thing that could save the Open Door doctrine would be its usefulness to Japan.

Opinion from Europe was evidence that the thought uppermost in the minds of Japan's allies was whether Japan was prepared and determined to supersede the Open Door doctrine, no more welcome because it was alien, with one of her own, and what its character and limitations would be. In this they had a guide. On December 26, 1899, Minister Aoki's words in acceptance of John Hay's Open Door proposal showed the nature of Japan's adherence to that doctrine. His words were: "Japan would have no hesitation in giving assent to so just and fair a proposal, providing all the other powers concerned accepted the same."

This would at any time let Japan out, through the loophole of claims of violation of the doctrine by Russia and others. Likewise Russia could do the same respecting Japan and others, and the whole case of the Open Door, by an interlocking damnation, could be thrown into desuetude. In fact, Japan did us the honor to send her political adviser, Henry W. Denison, to our ambassador, Mr. O'Brien, to warn us that the pledges given in the Open Door agreements came too late.

As all this was an early premise in the question, it presupposed an alternative, a stop-gap. Some substitute could find place, and Japan was prepared for this also. After the Treaty of Portsmouth, when Secretary Root let go the reins of power which Secretary Hay had held in East Asia, allowing Komura to seize them, and turned his attention to Latin America, Japan followed us. We could not be let off scot free. She pursued us as far as Magdalena Bay, and having

raised that question, now known as an aim for a Japanese naval base on the American coast, there was invented in Japan the idea of a "Monroe Doctrine" for East Asia.

In view of the committal of Japan to Komura's plan of expansion and "Greater Japan", the idea was grotesque. Its merits rested solely in its appeal to the vanity and credulity of the great English-speaking people of America. To carry out Komura's plan of state for unrestricted and indefinite expansion upon the continent, Japan had to eliminate us, the Open Door country. It was a kind of swallowing act, ludicrous, and showing that the champions of national policy were rather hard put in order to name Komura's plan of state before the world.

The attempt of turning the Open Door into a "Monroe Doctrine" had its awkward side. Monroeism in the Western Hemisphere is support of the weak in their right of unhampered self-development. Japan's needs — she asked everything — which are the soul of her policy, were the exact negative of this. Komura in the beginning declared before the Diet the policy of relieving the overcrowding at home in Japan by free immigration into Korea and South Manchuria as a part of the new plan of state. Not long after this began, Korea was annexed! In five years Japan's immigration had expanded beyond her concessions in South Manchuria, and she had now forced from China land and industrial rights for Japanese, not only throughout South Manchuria, but Eastern Mongolia and part of Chihli.

In Latin America there is no such thing as extraterritoriality, or any division of sovereignty, or interference of outsiders in the foreign affairs of its countries.

Backed by military force, Japan not only exercises but extends in China all of these, to which she adds control of all commerce, industry, and development in the line of her expansion. Lacking everything which China has to give, Japan, therefore, in the disguise of the Monroe Doctrine for East Asia, is a veritable wolf in sheep's clothing. The absurdities of the adventure prevented any authoritative enunciation of it in Japan, and its most intelligent champions grasped the nettle at the outset by admitting that from the point of view of the Japanese a Monroe Doctrine in East Asia would mean the control of China by Japan to the exclusion of all other States. Between the "wolf in sheep's clothing" and the "dog in the manger" thus offered to her, the Monroe Doctrine of East Asia held out no tenable position.

In the meantime, under headway of her advance upon special right as against the mutual Open Door interests of all parties, the end of her policy and the only one which by her plan of state she could pursue was that of a division of China with Russia, or with Russia, Great Britain, and France. Anything else was impossible, unless, in addition to prying the barnacles of foreign politics from the Chinese ship of state, Japan could drive France and Great Britain from the south and Russia from the north. This was the time to do it, especially if, under the provisions of her demands enforced against the Government at Peking and held over it by "Group V" for arsenals, armament, and advisers and aids, she could arm in her own behalf the myriad Chinese.

It was obvious that the councils of Japan would not enunciate any Monroe doctrine in East Asia as a substitute for the doctrine of the Open Door. It is

incompatible with Japan's plan of state invented by Komura because it does not look into the future. Furthermore, it would interfere with her policy, of which her sudden and almost boundless demands made upon China, the success and realization of which depend upon the duration of the European war, are an expression. Should the European war cease with unexpected suddenness, the domination in East Asia of the military group of the powers, in view of Japan's course now exposed by China, would be dissolved, and the capitalistic group would be restored.

Just when Japan would have pressed home her program, reverses to the Manchurian allies in both theaters of war caused her for the time being to suspend demands which she warned China of renewing. It was obvious that in prying loose the barnacles of the foreign powers from the ship of state in China, as with American help she scraped the ship of state clean from incumbrances at home, Japan had a substitute for the doctrine of the Open Door. Would she throw off the mask and declare it?

None of the Manchurian allies since 1903, and the Russian-Japanese War, but had been playing a hazardous and terribly dangerous game, as Europe shows. But for Japan this was the time to try it again. She must face some kind of reckoning. Should her allies win, they would be able to reimburse themselves in Europe. And it should not be hard to satisfy them in East Asia, with ourselves out of it. For with undiminished recuperative power and increased power of aggression and retention, they could realize in most of Japan's gains all the advantages of equal rights with her. To each of these four powers, so far as they possess the ability and determination to exercise force, equal right is

assured by alliance and the automatic duplication on each of their frontiers of most of the advantages gained by Japan. Should they lose, Japan must reckon with them in China and with their conquerors also.

The Briton has tolerated the course of Japan since the alliance with misgivings and difficulty. When, after the first horrible and deadening British catastrophe, — twelve thousand troops sacrificed at Neuve Chapelle, — came the reverses to the Manchurian allies at Ypres, in the Carpathians, and along the Baltic, the terrible moment was reflected in Tokio in connection with "Group V." Japan gave way. On May 7, China's Government and the officials of the foreign legations in Peking were surprised to find that after insisting upon the acceptance of her demands, Japan suspended her ultimatum and postponed discussion of all of the seven articles of "Group V" except one which had been previously agreed to affecting her "sphere" of Fukien Province. Simultaneously there was given out in Tokio the suggestion that "the influence of the Elder Statesmen resulted in further concessions being made to China in the belief that the lasting interests of the empire could best be served by convincing the powers that Japan is guided by a spirit of justice and a desire for the preservation of peace in the Orient."

The rising anger of Great Britain over Japan's doings, complicated by the stinging pain and embarrassment at Ypres, was expressed in all her foremost newspapers — the *London Times*, *The Daily News*, *The Morning Post*, the *Telegraph*, *The Manchester Guardian*, etc. The Elder Statesmen had been in eclipse for a decade. They began to go under a cloud shortly after Komura returned from Portsmouth in 1905, because, headed by Prince Ito, they defended and stood by the treaties and

Open Door agreements respecting Korea, which Komura's plan of state, brought from Portsmouth, had condemned. They all but vanished when, seeing the futility of opposing the Komura "kulturists", who were bent upon national expansion on the continent, Ito saved that body from complete eclipse for the time being by joining the "kulturists." He did all he could to save the Elder Statesmen by, at least for the time, doing the behests of their opponents, for whom he lost his life. Their influence then continued to wane; the erasing of the treaties and agreements over Korea and its successful annexation without protest from the powers deepened the shadow of their eclipse; and between Komura and Kato it was believed at the beginning of the World War that the Elder Statesmen had practically disappeared. They owed their resurrection to Neuve Chapelle, Ypres, and Dukla Pass! — which also gave the treaties in East Asia a breathing spell.

The fact that Japan entered upon the program disclosed by China, when the latter made known Japan's double demands, was *prima facie* evidence that Japan intended to carry it through. Japan's complaint that China violated her agreement not to discuss the negotiations and Japanese relations with others was trifling, since China has never had any defense against modern powers, except an appeal to the tribunal of world opinion and to third powers, and always has been forced to inform others.

Japan knew perfectly that China would be obliged to make known and would make known to the powers her demands, and that we, as the late guardians of the principles of the Open Door, were out of it, and would give Japan a free hand. Japan, therefore, could have intended but one thing: with American intervention

annulled, Germany's interests eliminated, and her colleagues of the Manchurian alliance approaching a position where for their sacrifices they stood to compensate themselves in Europe, and in which even the need of recuperating would for a long time make them unexacting partners in East Asia, so long as they could imitate in their own spheres there what Japan might do in hers, Japan could realize Komura's policy and plans of state with a position stronger and more securely intrenched on the continent than ever before. The inevitable disclosure of her address to China would have meant nothing if that address had succeeded. By relinquishing a large part of the pressure upon China and upon the treaties, contained in "Group V", Japan escaped at least part of the world's odium.

Japan had hesitated. She had relinquished "Group V" in her ultimatum, though she had warned China that it was only suspended. Was the victory for the treaties only temporary? As faded the memory of Neuve Chapelle, Ypres, and Dukla Pass, by which the Elder Statesmen alone were able to hold the "kulturists", would the courage of the Government return. Who was in control with the young Emperor at Tokio — the "kulturists" remaking the world of East Asia, or the Elder Statesmen honoring the treaties? Was it in Okuma, or Kato, to be as bold as Komura, and throw off the mask?

Had no setback occurred to the Manchurian allies in Europe, perhaps nothing could have prevented Japan throwing off the mask at once. On the other hand, with "Group V" still suspended over China, and in the prospect of a long war, Japanese diplomacy no doubt saw its final victory, the rapid political elimination from East Asia of all Western powers not allied with her,

and the decline coincidentally of those that were, until the automatic elevation of the Japanese Asiatic doctrine of sole control in China and domination of the Pacific was an appreciable reality. Six months after the opening of the World War we could see this situation behind the mask, and the prospect held over us of Asia and Europe upon our backs in China and East Asia, and Japan so situated as to call us to account in the Western Hemisphere.

It is but a question of time, — short and urgent, as this galloping history shows, — until a comprehensive reckoning to readjust the relations across the Pacific will set in. It is only a question of a more definite determination of the fate of China, and the relative placidity of East Asia, until the scene of Asiatic influence and European-Asiatic power in the Pacific will be shifted to the Western Hemisphere and begin to imitate on the eastern shores of the Pacific the interference which the westward trend of civilization until now has worked on the western. As a reckoning not unlike an earthquake, or a tidal wave, or both, is the only one anticipated, a knowledge of our footing in relation to Japan is the first essential to us.

The United States hitherto has been the good genius of rightful intercourse and mediation between East Asia and the West, and between China and all countries. Its treaty of 1844, which was the model of subsequent treaties of all powers, including Japan, furnished the basis of practical intercourse with, and progressive development of China. In 1854–1857 America opened the door of Japan to all nations, setting the model for all treaties with her, and stood by her, defending her integrity, sovereignty, her right to develop, her dignity and *amour propre*, until she was secured in all her rights,

some of which we assisted her to recover after she had surrendered or lost them.

After twenty years of intercourse almost unclouded by suspicion on the part of Japan, America first crossed Japan's path in Korea. In 1876, by a treaty, she thought to open Korea. She maintained a legation at Seoul, but the relations were so inhospitable that General Saigo, Minister of War, volunteered to go to Korea as an envoy in order that, by losing his life there, he might give Japan a *casus belli*, furnishing her a basis for conquest of Korea.

So, in 1880, when Commander Shufeldt opened Korea to the world, Japan resented it. She had already taken the Loochoo Kingdom, which General Grant, on evidence supplied by the researches of our Doctor McCartee, an eminent servant of Japan, had shown belonged to China, and by his advice of moderation obviated war. We had used our established diplomacy of consideration, and had first consulted with Japan respecting Korea, but Japan refused us assistance. It was Japan's first political mistake in American-Japanese relations respecting the Asian continent. The two countries should have worked together. When Shufeldt reached Chemulpo to sign the treaty, he found there a Japanese war vessel, whose commander tendered his services, and would have rectified his Government's mistake, but it was too late — China had arranged the treaty for signature.

Japan forgot this not, neither against us nor against China, as was shown in 1894, at our second crossing of Japan's pathway. Japan put the American-Korean treaty to a test. With China we had put in that treaty, — copied from our treaty with China, — the mutual obligation to use good offices to rectify diffi-

culties with third parties. About to become the victim of Chinese-Japanese rivalry, Korea appealed for our intervention, China followed. We declined both, as well as the twice presented solicitations of Great Britain. We avoided any embarrassment of Japan in her policy for preëminence in Korea as against China, but extended our services to all, and on November 6, 1894, President Cleveland offered his services in behalf of peace, which were accepted, and for which he was thanked by the Emperor of Japan by letter on conclusion of a peace treaty.

On December 26, 1899, Japan accepted America's proposition of the Open Door doctrine on the continent. She had taken Formosa from China, and had tried to hold a large section of Manchuria, and the phraseology of her reply was both an admission of her own guilt and an accusation against others. Our proposition was more than welcome to Japan because of the rapid aggressions of Russia in her direction. At this time our pressure in support of the Open Door constituted the only defense which Japan had against Russia, especially in 1902, when we protested against Russia's aggressions.

The man John Hay, in life and in death, was one of America's greatest contributions to Greater Japan. His passing was a providential blessing to its promoters. Hay died, and American policy weakened. The disintegration of the tie uniting the Open Door powers began. Seeing this, Great Britain turned to the power that was superseding us, Japan, and on January 30, 1903, the two formed an alliance. Disintegration of American-Japanese mutual interests began, *i.e.*, the mutual interests of the Open Door, by which Japan turned from the principles of the Open Door to those of special right. She no longer had any use for John Hay.

For twenty-five years Japan had no ground for complaint, and, in fact, may have had additional cause to regret that she had not lent her assistance to America in 1880. Then in 1905 we crossed Japan for the third time, when we were parties to a peace treaty that left her to find in China the expected fruits of her victories over Russia, by sharing there jointly with Russia special rights upon which Russia's conquest was based, and which would serve as a shield against America and the principles of the Open Door.

But if we crossed her here, also we assisted her to gain the basis of her policy, as I have shown. Seeing we were no more than a qualified moral force in world affairs affecting East Asia, and that she had nothing to gain by continuing with us, Japan turned to the special rights powers, notably Russia, with whom she cultivated an understanding. Here began the pilgrimage of Japanese diplomacy toward the goal of alliance of the Manchurian allies, which is the quadruple alliance of Europe and of the World War.

In 1909 we drew the herring across Japan's trail in our opposition to Russian administration of Harbin, and in the proposal for the neutralization of the railways of Manchuria, which uncovered the policy of Komura and Japan's abandonment of the principles of the Open Door and her coalition with Russia in claims of special rights. Our proposal was obnoxious to Japan because she had already reached an entente with Russia, and in her Russian agreement, the "predatory pact" of July 4, 1910, the Open Door received a Japanese condemnation, in its nature a death sentence.

Japan had waged her war with Russia on the claim of defending the principles of the Open Door on the continent, both in Korea and China, against the claims

of special right and the aggressions promoted on the basis of those claims. Since that moment, 1905, when Komura returned to Japan and suffered the resentment that was visited upon us jointly, it has been Japan's unwearying problem how and when to get rid of us in East Asia, and of our ubiquitous and inflexible doctrines involved in the Open Door — the sanctity of China's frontiers, the inviolability of her sovereignty, and the equality of right and freedom of all nations in trade, commerce, and development. And Komura straightway inaugurated the elimination process with the words which he put into the mouths of the Chinese, opposing the introduction of American capital into the railway in South Manchuria. But especially has this been Japan's determination since our efforts, 1909, to annul "Article VI" of the Russian agreement with China of 1896 by mutual consent of the powers and for mutual benefit, in order to remove the cause of violation of China's sovereignty by Russia and Japan in coalition.

With the conclusion of the Treaty of Portsmouth by which, with our coöperation, Japan lost the immediate fruits of victory which she expected from Russia, special right which she usurped, not Open Door, in China, was Japan's aim. Russia had the former, we the latter, and that is why Japan, on July 4, 1910, threw us over for Russia. Japan afterward tried to justify her rejection of the proposal for neutralization of the Manchurian railways so as to try and make it harmonize with the principles of the Open Door. But it did not interfere with her program. In 1910, she annexed Korea, though in the face of all denials of intention to do so made for the Emperor by Prince Ito.

CHAPTER XV

Defeat in the Pacific

Although by the time the World War opened we were hardly remembered at Peking, except in feelings which we did not care to arouse, our situation respecting the reckoning promised in the future theater of the world's great events could not stay the unbridled iconoclasm of the people of California and the Government of the District of Columbia.

We were not prepared for sacrifices where we had spent so much and gained so little. Since 1856 our only assets in China and Japan had been Asiatic good will. Our cultural interests, missions and schools, and everything else, were a great liability. Our trade with Japan, never more than a small fraction of the aggregate prophesied for us when Japan was opened to trade sixty years before, represented a golden gift to her of an annual balance of twenty-five millions of dollars and over. And it had ever since been seen that the only hope of commercial equality and mutual gain, to say nothing of recouping ourselves, lay in the development of trade with China. Yet it was not until 1902 that our exports to China for the first time exceeded imports — and alas, it was a combined famine gift! and an ephemeral war trade!

It appeared that American trade, or the increase in

commercial intercourse across the Pacific, declined as trade and trade facilities increased, especially trade intercourse with China. During the whole decade, since 1900, of our struggle for the principles of the Open Door, American trade with China persisted in its downward course. This may be seen by setting aside traffic due to Russian development in Manchuria, the Russian-Japanese War, and Japanese expansion in China. The whole prosperity of American trade during that decade was directly due to war, rather than to the Open Door doctrine. Of the American trade of fifty-eight million six hundred thousand dollars in 1905, about thirty-one and one half millions was a war trade paid for by European and American money. This trade disappeared in two years without being replaced in the development that followed the war, although the commercial treaties of all nations had been revised in the interests of trade, and in 1906 sixteen additional trade marts were opened in Manchuria. Notwithstanding large quantities of American flour contributed for famine relief and sent to the Yangtse this year and the next, that was not trade, but swelled the trade reports of those years, the decline continued.

The facts presented by the statistics of the years 1901–1910 were sufficient to cause the Government to investigate the whole Open Door policy. Results warranted but one conclusion: Trade was coming under control of organized foreign finance and large industrial development, and European money and trade specialization were being extensively applied in the development of China, to turn the trade to Europe and to Japan.

In the light of these facts, the conditions of American trade in the Pacific at the end of the Open Door decade, 1900–1910, suggested a commercial, political,

and diplomatic defeat. The maximum annual trade with China for the decade was seen to be only about twenty-seven million dollars when shorn of its war quota, only about our annual cash gift to Japan. This of course reduced the decline per cent., covering the succeeding half of the decade, but it emphasized the fundamental character of the decline, and moreover, it showed that America was the only country that did not prepare for the post-bellum prosperity foreseen by other nations, especially Japan, and loudly prophesied by Count Okuma. Japan and Germany reaped the profit of this prosperity. Britain held her own, and America, while satisfied with what Europe would throw to her after it had taken the lion's share, was sailing only with the wind, content to see the increase of trade in the Pacific go to Japan and to increase her gold bonus to Japanese commerce.

The story of the decline of American exports to China from the year 1905 is graphically pictured in the sinking figures: first, roughly, fifty-eight millions to thirty millions, to twenty-three, then to twenty-one, to nineteen, and then to fifteen millions — little more than a fourth of the maximum.

Our consular officers gave the story of the commercial fray in their dispatches of 1910. That year American oil was reported as making a good stand in the zone of Hongkong and southward. For six months American kerosene captured Sumatra oil markets in Southern Manchuria. But it was making a hard fight, showing an advance in quantity over 1909 of twenty-nine per cent., but a decline in price of twelve per cent. It was fighting a rate war with the oil of Russia, the Dutch Indies, and Japan. But in the best light of interpretation, the Government's reports from China

were bitter reading for the captains of American industry and the friends of trade expansion in the Pacific. In two years American cottons at Shanghai decreased over sixty per cent., while British increased fifty per cent., and Japanese from thirty per cent. in some lines, to fifty-seven and one half times original sales.

The American flour trade was captured by competitors in all the regions between Shanghai and Hongkong. American cotton goods, previously found everywhere in Manchuria, had been replaced by Japanese and Indian. In one year flour imports had fallen from $305,127 to $73, — the trade taken by Japanese, Russian, and Chinese flour.

The reasons given for the decline of our trade with China were that in all the important lines, such as cottons, flour, and steel, the sales and distributions were in the hands of foreigners and were left to shift for themselves, and also that American trade received no assistance from the American Government. The consuls constantly emphasized the decline in American goods handled by "middlemen." While our trade was left to shift for itself, the economic and political measures of other nations for trade extension struck heavy blows against our own. Our competitors first subsidized their ships, even Russia, and then secured large loans to China, by which great volumes of trade were controlled. But this movement, led by Great Britain and France and imitated by Germany, found its most remarkable exponent in Japan.

One of the recurring statements in the American reports from East Asia on the decline in our trade read thus: "At the same time Japanese goods show large increases, British stationary, etc." Japan's commerce, especially since the Russian-Japanese War, was

elaborately supported by subsidies, loans, and encouragement from the Government. Japan's development exceeded the expectations of the Japanese Government, notably of the "war cabinet" which had in it such men as Marquis Ito, Count Inouye, Count Katsura, and others. The opponents of this cabinet professed to believe in a great industrial and commercial expansion. The results astonished the prophets. Our traders noted that Japan, with Manchurian coal, successfully competed in the coal trade with the Chinese mines, and that Japanese flour mills in Manchuria, financed by Japanese government money loaned at four per cent., met all competition. The losses to our flour trade were not made up by the additional trade in American milling machinery, extensively used in Manchuria. By the development of the Hokkaido and the Yalu River timber zones, Japan also diminished our timber export from the Pacific coast. Japanese built certain kinds of rolling stock for the South Manchurian Railway, of better finish and material, at less cost than did American builders.

Japan had nationalized all important industries by lending them state funds. She had extended ship subsidies and the state monopolies of salt, camphor, tobacco, and the railways. The boasted "command of the Pacific" by us Japan had determined to dispute, and, as Baron Kaneko said, "also do her best to control the Far Eastern markets."

When we decided to enter the competition for trade in China and the preservation of the Open Door, Japan was prepared to meet the measures taken by other powers by measures of her own. On October 14, 1908, the Emperor of Japan began stimulation of Japanese commerce and trade in an edict based on

the wish "to share fully in the benefits of the general amelioration and improvement" in the world. He pointed out that the development of the national resources was necessary in order to keep pace with the constant progress of the world, and to participate in the blessings of civilization.

Thus the Japanese Throne met the most vital of Japan's problems, affecting her aspirations to a predominating influence in the Pacific. Its edict was characterized by Japanese critics as unsurpassed for simplicity, dignity, and weighty import by any document of similar historic importance. It seemed to make a profound impression upon the Japanese. It embraced, as a matter of fact, the whole national aspiration for expansion and prosperity.

Henry B. Miller, our Consul General at Yokohama, in dissecting Japan's commercial anatomy under the system of nationalization of commercial finances, railways, and steamships, said that the whole population of fifty million people of Japan could be concentrated by the Government behind any one industry or activity. Japan, therefore, had the most formidable tools for commercial conquest. She was further fortified by European alliances, protective of special rights, and these she was working to extend.

The circumstances warranted the fear by an awakened American commerce of Japanese destructive competition. The whole theory and belief of our Government, regarding the development of East Asia, had been that its benefits would descend upon all nations, and that their interests would supplement each other. This was the basis of the Open Door policy, and was the belief upon which the acceptance of that principle by the powers was supposed to have been based. And

so far, it was not Japanese competition that routed American trade in China; it was European monopoly. The cost of production in Japan had been steadily increasing. Coal, labor, commodities, and taxation had advanced. The taste for luxuries was growing. Japan's economic level had reached to about that of Southern Europe, and was rising gradually to meet that of Great Britain and America. The trade of Japan with the countries of the Pacific would soon be governed by the same stable laws of commercial equality that prevailed in the Atlantic.

But this could not be, under conditions of inequality such as the monopolizing of trade, and the benefits of industrial developments through foreign loans to China introduced by Europe, which Japan was certain to meet, if not by capital, which she lacked, then by diplomacy and arms. By the time we had signed with China the Currency Loan, Japan showed that, just as she had marshaled the powers in diplomacy and formed the Manchurian alliance, she could dictate the distribution of trade, to such a degree at least as to shut out any nations that were not prepared to meet the conditions of competition in China, both economic and political.

Our commerce with China, little more than double what it had been three quarters of a century before, was relatively wiped out. By the time we achieved our first loan successes, to safeguard our commerce, the other capitalistic powers and Japan had almost eliminated us from trade, as well as politics. The process of getting rid of us had undermined our position as the champions of the Open Door, and Japan, who coveted our mantle, was not kept waiting and did not often have to take the initiative. She had the

assistance of all our other rivals, and of the ignorance, indifference, and often perfidy, of ourselves. From the time American finance in China and Japan, in the plans of Schiff and Harriman, collapsed in 1905, and at the signing of the Currency Loan, 1910, American exports to China had fallen from fifty-eight million six hundred thousand dollars to fifteen million five hundred fifty thousand dollars. This represented, in a powerful way, the depredations of foreign diplomacy and policy upon American interests in East Asia. Cold commercial history showed that American trade had been routed in China, the greatest potential market in the world, and that America's vaunted expansion in the Pacific, which, with possession of the Philippines and the building of the Panama Canal, it was prophesied would become, with its circle of "nine hundred million" people, "an American lake", did not exist.

In 1913, when President Wilson took the stand that we were not prepared to accept the conditions of competition, Japan, as she had fallen heir to Russia's position on the continent, became our legatee with respect to the Open Door policy, and the leader of the powers in the Pacific, and we began "to play an effaced rôle in the Pacific, unworthy of our great country." Our merchant marine long ago had been swept away, and out of an unrecorded number of American vessels in the trade of East Asia in the past, of which ninety-six arrived at Shanghai alone in one year, only six successors on regular service survived the Open Door decade. It was perfectly understood that if American enterprise was defeated across the Pacific, it would be the second oversea failure since the loss of the whaling and sealing industry, and after

our Government's awakening, if American intervention through finance and industry in China were defeated, it would be the third, and then the nation might begin to understand what the limitation of its destiny and the influence of its institutions was to be, not only in the Pacific and East Asia, but what it was to mean to the world.

And it was defeated!

Not only were our trading-barge merchant fleets of the Pacific, our whaling and sealing fleets, and clipper-carrier fleets gone, long ago, but financial and industrial measures first to improve, then to retain, and last to reclaim, were now lost. Yet that was not all. While waned our chances of trade recovery, we lost the trade and commerce.

The progress of the World War promised to reveal with humiliating conviction, to the most secluded and indifferent, by spectacles of incalculable military brutalities, the limitations of our national influence and destiny. International law was wrecked, our treaties defied, our vessels sunk, and our citizens murdered. But as if this prospect of destruction of all chance of meeting either a sudden or late reckoning in the Pacific were not enough, the Government proceeded to sacrifice the ships that kept alive that trade and commerce and international intercourse. It neither paused nor looked about in its *débâcle*. The sailing barges with which we had conquered the commerce of the Pacific and the world had been succeeded by steamships, and the struggle of the steamships began with the passing of the sail. That also is a tale of Japan which events now for the first time permit to be told.

The steamships of the Pacific Mail Steamship Com-

pany were the first on the American-Asian trail. Born in 1847, "to build a great mail steamship route between New York and Hongkong, via the Isthmus of Panama and San Francisco, with branch line between China and Japan, and a coast line from Panama to Oregon", came the Pacific Mail.

Organized in 1848: All that is California, Arizona, Nevada, Utah, New Mexico, and more, had become ours, and we had to get to it, and to Oregon Territory, which we had before. Three steamers were launched and, headed by the *California*, worked their way to the Pacific in time to find at Panama throngs of gold seekers, who had mule-backed across the Isthmus, bound for San Francisco Bay, and took them — many, as it were, hanging to the rigging.

William H. Aspinwall was the genius of this. Profits estimated at four hundred thousand dollars, with the gold rush, "ran into millions of gross receipts per annum." And so the story went. Outgrown ships were sold and replaced; in 1860 the company was reorganized; in 1865, it enlarged its capital stock from four to ten millions, and then was so inspired by the vast prospects in the Pacific as to increase its stock to twenty millions.

Lo, we came by Alaska, and had more Pacific Ocean coast line than any people whatsoever. As showing what we declined from, there came to the Pacific Mail Steamship Company our Government's contract and five hundred thousand dollars annual subsidy for a mail service between San Francisco and Hongkong, via Hawaii. As interpreted, the thoughts of the promoters were fixed on "a large field for their own enterprise." The vast empire of East Asia and the Islands of Japan, about five thousand miles from their Pacific

terminus, — the already known resources of which represented, together, the industry of nearly five hundred million people, — all "pointed to this grand field as the proper and legitimate one in which to throw their surplus energies."

So with surplus energies and surplus moneys they built ships costing about one million dollars each, of wood, with side wheels and walking beam engines. One was called *The Golden Age*, in token of the California era. It was the golden age of lithography, and their owners ordered, large as wont, prints then beautiful and now old and unsurpassed, showing these merchant leviathans in the Golden Gate named by Fremont, under Fuji, sung by ten thousand Japanese poets, and beneath Hongkong's Peak, hailed by all the sailors of the world. In 1867, when the company's property was valued at thirty million dollars, it went overseas to Asia. It had the fine *Colorado*, *Great Republic*, *Celestial Empire*, *America*, and *Japan* — 3628 to 4100 tons register. While on the coast in East Asia it had the *Costa Rica*, 1917 tons, with others to follow.

The names of the organizers had disappeared from the management of the company, and it was a new and grander enterprise. Its agents in the new trans-Pacific world were: Oliver Eldridge at San Francisco, James H. Phinney at Yokohama, Russell and Company at Shanghai, and S. Ledyard Phelps at Hongkong. It entered a region of wonder and romance, and many are the names and doings connected with it that, in the iconoclasm of the hour, give us pause.

Following the example of Captain Robert Gray, who left the Revolutionary Navy to take the *Columbia* and discover the Columbia River, Captain Alfred G. Gray,

of the Navy, entered this first steamship service in the Pacific. The *America* was the first to cross — autumn of 1867. It carried general cargo and merchant, missionary, and official passengers, inaugurating the romance of "Pacific Mail" trade and travel. Now that nothing remains of its hopes in trans-Pacific annals but the name, the incidents of its existence have become important in Pacific history. Rises up the name of the dramatic, picturesque, and immortal Anson Burlingame, leaving China on the world mission for Emperor Tao Kuang. Ex-Secretary of State Seward moves in the opposite direction to Japan, China, and beyond, on his tour of the world. Again from the west comes the famous Iwakura Mission, then General Saigo Yorimichi, commissioner to the Centennial Exposition at Philadelphia, where the first display of Japanese art made the lasting impression felt in this country. Comes the first Chinese Embassy to the United States, and then General Grant, homebound from his tour of the world.

The opening of relations with China, Japan, Siam, and Korea, with the names of notables connected with those events and others in world history, are associated with the name of the Pacific Mail. They include the greater number of the American missionaries, educators, and advisers, who contributed to bringing Eastern countries into the modern world. Many of the Japanese, Chinese, and Siamese students, who created modern Siam and Japan and New China, found their way to America by these ships.

The *Alaska* and the *China* were added to the fleet, whose steamers, after leaving San Francisco, proceeded directly from Yokohama to Hongkong, via Van Diemen's Straits, returning by the same route. The

South American service was extended down the west coast. The *New York*, *Golden Age*, *Oregon*, *Ariel*, and *Nevada* became a part of the service on the coast of Asia. Connecting at Yokohama with the trans-Pacific steamers, when the latter were not too long overdue, they took mails, passengers, and cargo to way-ports, returning with passengers, mails, silk, tea, etc., to Yokohama.

This was the building up. The erosion of the fleet was heralded by the loss in the beginning off Katsuma, Awa, with sixty lives, of one of the first ships, under Captain Newell. Then all went well until 1872, when the *Ariel* was lost near Kiukazan, Sendai. Also the Japanese began to awaken to the importance of merchant marine. The Iwasaki family, with the Mitsu-Bishi Company, having taken over the native craft and several small steamers from the *Daimyo* of Tosa, started a line in opposition to the Japanese Government's Osaka-Yokohama line, employing foreign captains and engineers of a better class than those employed by the Government. By 1873 they had taken over the government line, and reached the problem of the Pacific Mail Steamship Company's coast line. Coincidentally another steamer of this line, commanded by Captain Corning, was lost on the Japan coast. Then began the history in the company's affairs that is characteristic of all our overseas enterprises in the Pacific.

Okuma, later Premier of Japan, was the financial factor of the Iwasakis. In 1875, he challenged the Pacific Mail Steamship Company to sell its five steamers on the East Asian coast, including the cargo hulks, *Rose* at Kobe and *Shamrock* at Nagasaki, the mooring buoy at Kobe, and the godowns, office, and

pontoon at Shanghai, offering seven hundred and fifty thousand dollars. Through its agent at Yokohama, Henry Hart, the offer was refused, whereupon the Iwasakis at once bought three ships from the English Peninsular and Oriental Steamship Company, and started a vigorous opposition, running down freight and passenger rates until the Pacific Mail receipts had fallen off sixty thousand dollars per month. In 1877, when the Satsuma Rebellion broke out, an opportunity came for both sides to reconsider the proposal, and the Pacific Mail Company parted with the identical five steamers to the Mitsu-Bishi Company. From that time, especially with the great increase of trade with America, Japan kept her eyes upon the Pacific Mail Steamship line. But she never expected it to fall into her hands without so much as the asking.

The struggle of American steamships had been taken up in other regions of the Pacific. The extension of the Pacific Mail Steamship service to Asia was followed by an American steamship service across the South Pacific.

In 1870 the first San Francisco-Sydney service was run, beginning nearly forty years of struggle for an American-Australian Steamship line. H. H. Hall, the American consul at Sydney, undertook a temporary monthly service for the New South Wales and New Zealand governments. The American Steam Navigation Company furnished the two steamers, *Rangatira*, and *Balclutha*, soon replaced by the *City of Melbourne* and *Wonga Wonga*.

In 1871, Hall's line was superseded by a fleet of four paddle steamers put on by the firm of Webb and Holladay. The *Nevada*, *Nebraska*, *Dacotah*, and *Moses Taylor*, 1354 tons to 2145 tons net, were the vessels

employed. On April 8, 1871, the *Nebraska* opened the service by sailing from San Francisco. The *Nevada* followed, then the *Dacotah*, which reached Australia in 1873.

There were no faster steam vessels in the Pacific. The *Nebraska* was rated the best of the fleet, and had a steaming record of twenty-six days and nineteen hours from San Francisco to Sydney. But the curse of the latter-day Pacific hung over them. The *Nebraska* and the *Nevada* affected a kind of military air. "Leaving port, they fired guns, and when they signaled for the pilot, were it early dawn or after dark, they demanded quick dispatch." "They allowed no one to forget that they were the Mail." It was said that once, when the captain of the *Nevada* was making up time, he overhauled the bark *A. H. Badger*. As he passed her, his port paddle-box struck the sailing ship with sufficient force to damage the paddle-box and break some of the paddle floats. "Arriving at Sydney, the captain 'guessed he grazed something' on the way across." When the captain of the bark, with his wife and child and the ship's company, reached Sydney, it was learned that the accident to the bark had caused it to founder the following day in a gale, and the Australians expressed their indignation at every visit of the *Nevada* thereafter. Some of the passengers sent a protest to Washington when the Ship Subsidy Bill was before Congress, causing the withdrawal of the company's subsidy. In disfavor throughout the Pacific, the line ceased operation in April, 1873, with the sailing of the *Nebraska* from Sydney.

Mr. Hall, our enterprising consul, was not dismayed. In partnership with P. S. Forbes, he then undertook a service with an Australian and New Zealand joint

subsidy, employing the steamers *Mongol* and *Tartar*, two thousand tons register, chartered from the New York, London, and China Steamship Company, the steamer *McGregor*, which reached New Zealand, September, 1874, and the *Grenada*, which made the connection for these steamers between Honolulu and San Francisco, though occasionally visiting Australasia. At the end of the year the *Cyphrenes* and the *Mikado* replaced the first two, and later the American Steam Navigation Company's *City of Melbourne*, with new compound engines, made a few trips between San Francisco and Sydney, in one of which she steamed the distance in twenty-six days. But after incurring a penalty of ten thousand pounds for a breach of contract in failure to maintain schedule, the line terminated.

Australia and New Zealand then accepted an offer by the Pacific Mail Steamship Company, as against the offer of the North German Lloyd Company, to run twenty-five hundred ton steamers on the San Francisco line. In conjunction with the Fairfield Shipbuilding Company of Glasgow, the steamers *Zealandia* and *Australia*, built by the latter, and the *Vasco da Gama*, *Colima*, *City of San Francisco*, *City of New York*, and *City of Sydney* entered into the service, which was inaugurated November 10, 1875, by the dispatch of the *Colima* from San Francisco. This was one of the fastest ships owned by the Pacific Mail Company, but with the *Vasco da Gama* was withdrawn soon after, troubled with broken crank-shafts, cracked piston-heads, and other engine misfortunes.

In 1885, the Pacific Mail Steamship Company's last contract expired for the Australasian service, and it withdrew to its original trans-Pacific undertaking.

The Oceanic Steamship Company of America, incorporated 1881, the outgrowth of a line of small schooners and brigs operated by the J. D. Spreckles and Brothers Company between Hawaii and San Francisco, with the Union Steamship Company of New Zealand, succeeded in the Australian service. The latter put on the *Alameda* and *Mariposa*, 3158 tons gross measurement, and the *Mariposa* left San Francisco on November 21, 1885.

J. D. Spreckles was virtually the Oceanic Company. Though entitled by contract to run but two of the three vessels on the American-Australian line, after one or two runs by the Union Company's vessel, whose accommodations were not equal to the service required, he provided all three, resuming the two-vessel service in 1890.

On November 21, 1900, the Oceanic Steamship Company inaugurated a new service with the sailing of the *Sierra* from San Francisco to Sydney, followed by the *Sonoma* and *Ventura*, newly built at Cramp's shipbuilding yards, Philadelphia. Under a contract with our Government for the carriage of mails, it commenced a three-weekly service between San Francisco, Hawaii, Pago Pago, Tutuila, and Sydney. The *Alameda* was placed on the local run between San Francisco and Honolulu, and the *Mariposa* was converted into an oil burner, and was placed on the run between San Francisco and Tahiti, under a contract with the two governments concerned.

In January, 1903, the two million five hundred thousand dollar capital stock of the Oceanic Steamship Company was doubled in anticipation of new opportunities. But in 1906, owing to the earthquake and fire which partly destroyed San Francisco, and

the consequent disruption of business, the *Sierra*, *Sonoma*, and *Ventura* were laid up. Meantime the *Alameda* was continued in the San Francisco-Honolulu service until the *Sierra* had been converted into an oil burner, when she was sold, and the *Sierra* took up the local run to Honolulu.

British competition caused the withdrawal of the *Tahiti*, and the *Mariposa* was sold. And the end seemed appreciably near, when all vessels were converted into more economic "oil burners", and in 1912, under a new government contract, a twenty-eight-day service between San Francisco and Sydney, via Hawaii and Tutuila, was established. In 1915, the World War had stayed the Pacific curse in respect to this line, and with increased traffic with British colonies, the *Sierra* was restored to the Australian run, with the *Sonoma* and *Ventura*, with the common fate awaiting it at the war's end.

In 1898, the Government established its transport service between San Francisco and Manila. In 1902, the Northern Pacific Railway and the Boston Steamship Company made steamship connection from Oregon and Washington with Japan and China. In 1905, two ships, the *Minnesota* and *Dakota*, twenty-eight thousand tons each, and the largest in the Pacific, were launched by the Great Northern Railway Company. And this year an Alaska-Siberia service was established, and Robert Dollar was building up a trans-Pacific freight service of four ships.

American ships, up to the beginning of the Shanghai period, averaged about three hundred tons register each. One hundred of them, such as visited East Asia at that period, therefore aggregated in tonnage only thirty thousand. At the same time, at the be-

ginning of 1905, the total tonnage of American steamships in regular trans-Pacific commerce, was only 23,426. In that year, however, when the Great Northern Railway Company launched two vessels to connect Oregon and Washington with East Asia, the Pacific Mail Steamship Company added three vessels of nearly twenty-four thousand tons each, and the tonnage of American trans-Pacific ships rose to 149,685!

It was a "lightning before death."

Our ships were not only the means that had created and safeguarded our foreign commerce and trade, as history showed, but they contributed to the defense of the nation. Their sinews not only were the bulwark of foreign trade but were a part of our naval force and of land military force when employed abroad. In the Pacific they had given us all of the material assets we could claim in a long contest for reciprocal advantages in East Asia. And we needed them now more than ever before, because our contest was to be with Asiatic competition.

The Chinese and Japanese, — the two great nations of one civilization, to whom our steamships came as a friendly overture, — expressed its significance to them in striking contrast. When the Pacific Mail ships reached Hongkong, the Kwangtung Chinese there discovered that the wooden hulls were sheathed with copper. In 1868, while one of the steamers lay at her dock, the sampan men stripped the copper off one entire side, "and not a soul on board heard even a suspicious noise."

Not so to the Japanese. The most interesting and valuable picture of a Pacific Mail steamship is Japanese. Not so much because of its art, as because of its moral significance and associations. A large draw-

ing, made on wooden boards by an unknown Japanese artist, it was hung by a priest in a temple beside the Inland Sea, and for forty years remained there, a sacred object to worshipers who followed the sea, and until the owners of the temple were persuaded to part with it, and it was carried to San Francisco.

The subsequent history of these two peoples respecting steamships was reflected in these incidents. China never moved successfully. Although in China there is one so-called Chinese steamer service, it has never been efficient or profitable. On the other hand, in Japan, the arrival of our steamships, made an event of religious significance in a temple beside the Inland Sea, was followed by the move of the Iwasaki family. And from it developed the policy that put Japan in the position to displace all our trans-Pacific steamship service, and to veritably "capture the trade of the Pacific."

"Winding up business in this part of the world," as was said of our defeat in the steamship service, traces its initiative from the beginning of the steam era. Of the first trans-Pacific steamers, the *America* was burnt in Yokohama Harbor, the *Japan* burnt off the coast of China between Amoy and Hongkong, while the *Great Republic* was lost on the Columbia River Bar. The others were broken up.

A new type, the screw-driven steamers, which we had learned to build, took their places. But the coast service in Asia was not resumed. Although the Pacific Mail became a great international steamship line, identified with the meeting of the two great civilizations across the world's greatest ocean, its dreams of expansion in the Pacific had not materialized. It was a great factor when it entered the trade and travel

that populated California, and to an extent, Oregon and Hawaii, and again when it crossed the Pacific. It was the first steamer line across the Pacific. Yokohama owes its early prosperity and its place as a great port to the Pacific Mail Steamship Company. But glory could not save it. It lost money sometimes, and suspended dividends, sometimes made a few hundreds of dollars, and even at times a few tens of thousands. But it never realized what the original promoters of the service to California realized, and in 1893 it was practically defunct.

Former American success on the deep seas was won in an age of chance, by daring and self-denial, when there were still unknown and unfrequented seas, undiscovered wealth, and secret marts of barter and shipping. But these were no more. The present was an age of science in trade, as well as in other things. There was no undiscovered country, in a physical sense, and chance had been essentially outlawed. Therefore science must be employed.

Then Collis P. Huntington employed Lieutenant R. P. Schwerin to again build up the Pacific Mail. And, still without subsidies such as were enjoyed by all its competitors, it was resuscitated and reorganized into a worthy competitor of foreign shipping, equipped with the largest vessels on the Pacific, excepting two which belonged to the Great Northern Railway.

In 1901 came American opportunity to imitate American shipping achievements in the Pacific in the past. Commerce improved on account of the occupation of China by foreign troops, and the opportunities of trade expansion which followed. The Hill and Harriman railroads warred for ports on the Pacific in Washington and Oregon from whence to re-tap Asia,

and several movements were started. One of these was the movement for revival of our merchant marine by subsidies and reformed shipping laws, permitting foreign-built ships to sail under the American flag; another, the special study of world economy by consuls and special officers; another, reform and extension abroad of communications — banking, telegraphs, and mails; another, the modification of the tariff — the Chinese Great Wall, shutting out trade expansion; and still another, the formidable increase of our navy and army — all for the extension to foreign regions, notably Pacific regions, of our commerce, and a proper influence and respect for our rights and institutions.

When the Northern Pacific Steamship Company started a trans-Pacific trade from Seattle, Harriman added to the Pacific Mail fleet the three new vessels, of nearly twenty-four thousand tons each, already mentioned. But nothing further was achieved, and we were again reminded that we could not do with steam at sea what we had done with sail; that no American trans-Pacific trade ever equaled in relative importance the "clipper trade", mainly via the Cape of Good Hope, 1843–1857; that the attempt to revive it across the Pacific, which had exercised a fascinating influence over American imagination, is the toughest problem of American commerce; and that men of the present, including the law makers, show themselves unequal to conditions. It has remained the great industrial question of the United States — the problem, the goal, and the quondam prize of railway builders, manufacturers, financiers, and merchants.

As long as the problem of scientific pursuit of foreign trade, and special study of national foreign interests, was not mastered, all attempts were vain. Our mer-

chant marine and carrying trade continued to decline toward the vanishing point. James J. Hill confessed failure. One of his fine vessels, the *Dakota*, became "a wreck on a Japanese reef." Failure in the Pacific, which once gave such great wealth to our traders, was the testimony of all, from Aspinwall to Huntington and the Goulds, and finally to R. S. Lovett, who succeeded Huntington and Harriman in the Southern Pacific Railway.

These confessions of failure in the Pacific had one notable exception. The discouraging career of the Pacific Mail Line and the Northern Pacific Steamship Line did not deter, but on the contrary, inspired Edward H. Harriman. Where others merely sought to tap the Asiatic seaboard from our Pacific coast, he conceived the idea of himself building the Panama Canal, as a patriotic duty, so as to turn Atlantic ships across the Pacific. When that became a government enterprise, he worked out and, as I have shown, partly executed a plan for a steamer and train circuit of the globe, traversing entirely the north temperate zone.

Not even the New England navigators and traders surpassed Harriman in sheer daring. He wished to join the Pacific with the Atlantic by an Asian rail route with ship connections with New England, a project as romantic to the imagination as Jonathan Carver's Pacific waterway through the North American continent, and yet capable of realization.

When he had done this, and after Japan had canceled her undertakings in the matter, Japan came forward with an offer to buy the Pacific Mail Steamship Company.

As the principal owner of the Southern Pacific Railroad Company, Harriman had the disposal of the

ships in his hands. He declined the Japanese offer. He said he owed a duty to his stockholders, because he could dispose of the ships at a profit. But his patriotic duty obliged him to retain the flag upon the Pacific.

The plans of Harriman were an attempt to realize the national dream of a hundred and twenty years. Had he lived, there is no doubt the story of our merchant marine would have been different. While he was still developing his plan, the conditions of competition became more exacting. Our lines received no subsidies of any kind and had to compete with foreign lines, principally Japanese, subsidized in the Pacific to the extent of two million four hundred and one thousand dollars per annum.

In 1912, the Pacific Mail made an effort to revive from the blow it had received in the death of Harriman, putting on an intermediate service with ships chartered in the Atlantic. Then came the loss of one of these, the *Asia*, in the track of the old side-wheeler, *Japan*. It ran ashore and was looted clean by Fukien pirates. And finally, in 1914, Congress passed, and President Wilson signed, the "Seamen's Act" requiring "seventy-five per cent. of the crews on American ships in all departments to understand any order given by their officers in the native language of the officers", which made it impossible any longer to employ Asiatic crews on American ships in the Pacific, and thereby unprofitable to run the ships competing especially with the Japanese. Although the Pacific Mail shipped instructors after the passage of the Act, the Asiatic crews could not learn English.

The Government, which had never reimbursed Harriman for patriotically saving Imperial Valley from inundation by the Colorado River in 1906, at

a cost of three million dollars, now at a blow destroyed the great steamship service which he had patriotically retained on the Pacific.

The Pacific Mail could do nothing but dissolve, and after hawking its ships in Wall Street for several weeks, sold out at a heavy discount. In August, 1915, eight of the vessels, including the *Manchuria*, *Mongolia*, *Korea*, *Siberia*, and *China*, went to the International Mercantile Marine at New York and the Toyo Kisen Kaisha of Japan. On September 29, Honolulu festooned the *Manchuria* with a wreath inscribed "*Aloha* Pacific Mail", and the Pacific bade the Pacific Mail adieu.

On October 6, the last steamer of the first trans-Pacific steamer service was in home dock in San Francisco Bay with good-bys like burial wreaths. October 10 saw all trans-Pacific offices of the company closed. With their names and the flag in giant World War design, half a ship's length, painted on the ships' sides, they left for the Atlantic. On October 15, at a meeting of the stockholders, the capital stock was dissipated, and in trans-Pacific shipping the company became a name only. The Northern Pacific withdrew its vessel, the *Minnesota*, and the Robert Dollar Company sought the transference of its vessels to Vancouver to supplement the service of the British and the depleted Canadian trans-Pacific fleet.

The Oceanic Steamship Company, with three minor vessels, and having no Asiatic competition, was the only American deep-sea line in the Pacific. The total of American steam tonnage in all services there was reduced to 20,838, less than that of the American-Asian service alone in 1905.

Our exit from Asia was described thus by the Japa-

nese *East and West News:* "The Pacific Mail flag which floated over Number 4 Water Street, Yokohama, for many years, was recently displaced by the house flag of the Toyo Kisen Kaisha, which company has now taken possession of the premises. Those present at the ceremony, says the [Kobe] *Chronicle*, were Mr. Campbell, local agent of the Pacific Mail Company, and his staff, a representative of the T. K. K. and Mr. G. H. Scidmore, United States Consul-General. The *Japan Gazette* says that Mr. Campbell, in handing over the lease of the property and hauling down the flag, wished the T. K. K. every success in its new home. Mr. Campbell has offices on the premises which he will occupy until the business of the Pacific Mail Co. is wound up — the last rites of American shipping on the Pacific Ocean!"

American whalers, traders, and steam mariners in turn peacefully captured the Pacific as it never had been captured, but none were able to stay. The whalers were conquered by destruction in the Civil War, through government neglect and failure in its responsibilities, and changes in the industry. The early traders of our own and all other countries were conquered by our clippers. Our clippers there were conquered by our steamers, and in steam traffic we have been weaker than in anything that preceded it.

What Harriman refused to do alone, others did jointly. On March 18, 1913, when President Wilson withdrew government support from the financing of trade in China, we were back to 1844, to the Canton Period, in East Asia. On November 4, 1915, when the "Seamen's Act" went into effect, we were again back to 1784, with all our future merchant marine and trade to make. With the signature of the Presi-

dent, American competition in the Pacific trade was removed, and we "lowered our flag to Japan." Before the rise of the Japanese mercantile marine, our trans-Pacific shipping disappeared. Japan, which had fifteen ships in Pacific trade in 1914, in 1915 had forty-five, and was rapidly building. Creasy's prophecy was again disproved. Our national dream was realized by an Asiatic power. "Intentionally or not," said Asano, President of the Toyo Kisen Kaisha, "the Pacific trade is the gift of the United States to Japan through the passage of your new Seamen's Bill."

Attracted by war traffic and war freight rates created since the Seaman's Act came into force, the Pacific Mail, under new owners, in June, 1916, bought the Dutch ship *Ecuador*, converted it into an oil burner in emulation of the measures of economy originated in the Pacific by the Oceanic Steamship Company, to meet Asiatic competition, and with two other former Dutch ships, crept back, temporarily, to the Pacific and began sailings in August. As they did so, they announced that "during the existence of the present abnormal freight rates these ships could be profitably operated", after which the future of "the only trans-Pacific line operating under the American flag" would "depend upon the action of the Federal authorities. It became impossible," it said, "for American capital to operate ships on the Pacific Ocean under the American flag in normal times. If the Seaman's Bill is left unmodified, and the Alexander Shipping Bill [for a government-owned merchant marine] should become a law without material modification, then this condition of affairs will again prevail in normal times."

In the six months preceding this action, Japan's

ocean trade with South America, where the service of the Pacific Mail had been maintained longest, with additional Japanese ships sent to that region, increased in the ratio of one hundred and forty per cent., while the exports for the empire under conditions of the Japanese shipping conquest in the Pacific had increased fifty-six per cent., and steel for other ships was leaving our ports for Japanese shipyards.

CHAPTER XVI

Recession

Still, even defeat in diplomacy and trade by Japan and the "special rights" allies was not enough. There must be a complete renunciation in East Asia and the Western Pacific, and so the Government attempted to compel a scuttling of the Philippines by a measure in Congress to bring the flag back nearly five thousand miles in 1920 to Hawaii, leaving us with the isolated coaling station of Guam in the Western Pacific. There was no justification in statesmanship, reason, or humanity for this, except that by our good intentions and ineptitude we had become offensive to Japan and were intimidated by her.

Japan had attacked our right of tenure there and threatened our neighbors in that region. And in May, 1912, after China had asked us for the Currency Loan, and the interests of all the powers in it were arranged, certain Japanese opinion in elucidation of Japan's policy was expressed by the Osaka *Asahi Shimbun*, as follows:

"The United States, having no territorial concessions and no geographical facilities, has assumed the political and financial guidance of China. She has offered to furnish the capital for the exploitation of Liaotung — in return for rights. She has organised a loan syndicate of English, German, French, and American bankers,

and assumed $50,000,000 of the total amount. By bold and skilful diplomacy she has out-maneuvered Japan, Russia, and England, whose rights and interests are predominant, and forced them to take a back seat. In the Revolution, when the Japanese and English diplomatists were so circumspect as to incur the annoyance of the Chinese, the United States, by clever diplomacy, kept on the best of terms with the North and the South. When the Emperor abdicated, the United States was sympathetic. Then when the Republic was declared, it was America who came forward with the proposal that the Powers should help the new Republic to the restoration of order in China. America, to our astonishment, has succeeded in convincing China that it is she who is laboring to help her in her distress.

"The United States has vastly improved her position in China, and under the Republic will succeed even more, and it is probable that she will become China's guide. The new Cabinet is pro-American. Yuan [Shih-k'ai] once tried to form an American Alliance, and it was to Tong [Shao-yi] he intrusted the work. The Ministers of State are equally pro-American. Hsiung Hsi-ling, the Minister of Finance, encouraged American financiers to provide the funds for the development of Manchuria, so as to checkmate the aggression of Russia and Japan. He will turn to America again now. The new officials are mostly of American education. The forceful American representative, Mr. Calhoun, is strongly backed by the American pressmen in Peking. The American missionary is ever conveniently near, urging the Chinese on. The word "Republic" is a charm at the present moment, and its constant use makes the Chinese believe that the

Americans are their only true friends. They forget how their countrymen are despised, insulted, humiliated, and persecuted in America. They humbly follow their guides. Japan is only separated from China by a narrow strip of water. Our interests are predominant there. Why don't the Japanese people do something to arouse the officials from their slumber to a realisation of the position?"

Japan had served notice on us in East Asia, in several unmistakable forms, to get out. That was the message of her July 4, 1910, "predatory pact" with Russia. It was the message of her handling of the Conspiracy Case in Korea, when the courts were dominated by the anti-missionary "Kulturists" of Japan. It was the message of the second defeat of the Six-Power Loan through the same Independence Day pact, in which Japan had the support of both Russia and Russia's ally, France. But it was still more the pungent and ruthless message of Japan's demands upon China: while in 1915, the highest ranking and most important Japanese official in the United States, but one, said plainly to us these words: "We two nations can have peace if you will stay out of East Asia."

Europe in East Asia had always regarded us as "impossible, but unavoidable." Japan determined us to be not only impossible but avoidable. She wasted no words in summoning us to get out of East Asia. And we have let no grass grow under our feet in doing so. The public, secret, and unseemly haste of Japan, shown especially since August 1, 1914, when the World War set in, has received more of its impetus from the conduct of our case than from any other source.

If Japan did nothing more she laid down the lines and conditions on which peace cannot exist in the Pacific. The United States is arming, forced to do so by the condition of the world, and one cannot but ask whether the flight of its diplomacy from the bugbear of Pacific complications is not temporary only, destined to be followed in time by a forcible defense of America's humane and just contentions, and of Western civilization, until the differences between East and West in the Pacific area can have time to work themselves out, at least with mutual sacrifices and mutual advantages, and with justice to international rights.

It will be seen from what I have said of Japanese accusations and criticisms, in one instance made by the *Asahi Shimbun*, when China had arranged with us for the Currency Loan, and it had been modified by the Manchurian allies out of all recognition so as to suit their policies, that those accusations and criticisms came after our virtual defeat at the hands of Japan and Europe. And little remained of our position except the few concessions and the policy and promise for the future which received the damnation administered by President Wilson. Japan's assertion of paramount interests in China, of herself, and then Russia and England, followed our diplomatic defeat. At that time, the insults which, through Japan's great diplomatic success, our envoy at Peking had to endure, were so humiliating that he had to be persuaded from resigning his post.

But these criticisms and accusations from Japan do not deceive us into thinking that they originated solely from a natural attempt on our part, by just and legitimate means, to obtain what Japan and Europe were obtaining by the same means and otherwise. Our

enterprises of all kinds in the Western Pacific area have been unwelcome to the Japanese. Such is the outcome of our mission of one hundred and thirty years to that region. And it strikes at the institutions of America, at the spirit of the people, and at Western civilization. It is the conflict of the two civilizations.

The preceding chapters furnish a sufficient explanation of our position in East Asia. That position is based solely upon the doctrine of the Open Door. Except in so far as the law of extraterritoriality has fitted itself into international relations in China, our principles are the same in China as those that govern our relations with other nations. Except by Japan, this has never been challenged as being less than a faultless basis for our own or the presence of any nation in East Asia. But as she has successfully assailed us and nearly succeeded in driving us from East Asia, there remains the implication that there may have been some just reason for doing this. Therefore a more complete explanation of our presence in the Pacific and East Asia, especially with reference to Japan, may be made. And this is very simple. For what remains, after consideration of the contribution from Western civilization in its trend westward across the Pacific, to China and Japan, which we have made, and the particulars which I have given to show how we have crossed Japan's path in the past, is the single question that was principally the cause of Japan's raising the bogey of Magdalena Bay, namely, the acquisition of territory and military bases in East Asia.

When this came up, our contribution to the prosperity of East Asia and to international commerce,

in the Spice Islands, by the discovery and marketing of pepper, the development of the fur trade across the Pacific, the creation of Pacific whaling, and the clipper ship achievement which brought East Asia two weeks to a month nearer Europe, were forgotten. Japan had fallen heir to the great whaling industry in the North Pacific which we had built up, and to the carrying trade, which was already within her grasp. The annual American subsidy to her trade, of a quarter of a million dollars of Pacific Coast gold, seemed to her a right, when she raised the question of our presence in a physical sense in China, and in the Philippines.

Our first land concession in China for a trading settlement at Shanghai long ago passed into the "international settlement", and while Europe and Japan were building up territorial possessions in China, was taken out of our control. One of our commissioners to China had proposed that we join England and France in temporary occupation of Formosa and other places in order to coerce China into settling the vexed question of the fulfillment of our treaties, but it had never been more than a proposal. Commodore Perry had our flag raised over a group of the Bonin Islands where Nathaniel Savory, an American, and a party of mixed nationals from Hawaii had settled, as a possible Pacific station for our ships, to protect the trade by which we then dominated the Pacific. But although these islands did not belong to Japan, Perry was the first, for Japan, to claim the right of possession that lay in discovery, and thus he forestalled the claims set up by the British. He put on record the visit of a Japanese junk to that group in the seventeenth century.

In 1898, we came into possession of the Philippines,

but they were not an Asiatic possession and had not been acquired by conflict with any Asiatic power. They came to us from Europe. In 1901, we gave up our concession at Tientsin, and we had no base or foothold of any kind, in territory, anywhere in Japan or on the continent of Asia, or anywhere in East Asia except in our own European-acquired possessions.

It was two years after that Roosevelt's "Pacific Era" speech at San Francisco, promising for the United States "the dominion of the Pacific", excited the resentment of Japanese who later, when Japan emerged from the war with Russia, declared in the words of Baron Kaneko that Japan would not only resist that dominion but take every means to control the Pacific trade. Roosevelt said: "America's geographical position on the Pacific is such as to ensure peaceful domination of its waters in the future, if we only grasp with sufficient resolution the advantages of that position." The "advantages of that position" were those belonging to us on the eastern shore of the Pacific and in its waters, and those conferred upon us and all other nations alike on the western shores by the Open Door doctrine.

The "domination of the Pacific" can be understood from what we did, 1851–1856, when we were in possession of its shipping, and used our control of the sea to peacefully open Japan and carry the light of knowledge to the famishing cubs of the Mikado, all of which has been abundantly testified to by Japan, in the past, and by other rulers, in Hawaii, China, Siam, Burma, and other places in the Pacific, and by what we have so far done for the Philippines.

Then Japan felt the whole world altered by her victory over Russia in East Asia, and no longer toler-

ated the powers, or the conditions, around her. And there occurred something which set the ill feeling of the Japanese in this direction aflame. A report from our Navy recommended the acquisition of a coaling station on the Chinese coast, below Shanghai, preferably at Fuchou. It was in the same general latitude as the Bonin Islands, and was in the region of other naval stations on China's coast, notably of Japan, England, and France. Although it was never more than a proposal, unsupported by the Government, and was something in which it would be necessary to interest the people, and must be approved by the legislative branch of the Government, before it could be carried out, it created a real or feigned distrust at Tokio, which no assurances of our Government have succeeded in removing. On the contrary, it has been kept alive, and the Japanese Government has made the most of it in its campaign to oust us from East Asia.

Yet in this matter, Japan again revealed the selfish basis of her action. The State Department, for our Government, denied any purpose to seek such a concession from China. But Japan would not believe it. We then proposed, as a guarantee of good faith, to sign with her an agreement in which both would undertake not to seek such a concession from China. Japan refused.

Our interpretation of a naval depot in East Asia, such as was contemplated in the Bonin Islands plan, was furnished by Townsend Harris in respect to our treaty of 1857 with Japan, when he said of the treaty: "By this I have secured the choice of three good harbors for our naval depot in the East, in a country . . . where the men cannot desert, and with a power sufficiently civilized to respect our rights, and above

all not a power with whom we might have a rupture, like England." We never had had the least difficulty with Japan over our naval station in her waters. For nearly fifty years we had been no menace to her. But of course, times were changed.

Our next naval base in the Pacific was Pearl Harbor, the next Pago Pago, and then Manila Bay, while in order to provide for our naval patrol maintained in concert with all nations in the riverine and coast waters of China, it was proper, as it had been in Japan, and as was the custom and necessity of other powers in China, to have a naval station convenient to the southern coast, especially in the area of piracy and revolutionary uprisings. The prejudice and injustice of Japan's imputations are perfectly conclusive from what she did, and did not do, when the matter came up for determination, as I have shown.

On the other hand, Japan's position in the theater of the Western Pacific, where we had already built up a relatively important history, requires consideration in a similar manner. As much foolishness has been shouted into the public ear by our own worshipers at the Sun-god's shrine, that subject needs a rigorous cleansing process before it can receive a health certificate. But I will advance only a few facts from the Japanese themselves.

Inazo Nitobe, perhaps to Americans the best known of Japanese writers, shortens Japan's history from twenty-seven to twenty centuries, clips off four or five centuries more, and promises alterations from future investigators. He makes Japan young, in comparison with all of her neighbors, and places her, in relation to Korea, China, and India, as Germany to Egypt.

Japan's two-thousand-year-old dynasty "by the grace of Heaven" vanishes into a mere worshipful belief. We find it has been a pernicious mistake to have translated this fable, as history, into the languages of Western nations, such as must deal in a practical manner with the Asiatic problem in the Pacific. The so-called Japanese divine imperial vehicle which is credited with transmitting the "line" is a kind of *crèche* wherein many of the "emperors" were no more related than the eggs of a modern incubator, and did not even survive the brooder, much less transmit the line. The entire line, in English, is what we call an "Oriental" fraud. Nitobe says that "one babe was crowned at the age of two, only to abdicate at the age of four." Boys of five and ten occupied the "throne." Adults were sent to monasteries and the "imperial" power was traded around. The "emperor" was "shelved" and royal power reduced "to the shadow of a name." This was from the time the inhabitants of the island of Nippon gave up nomad life and built a capital. Royal power had no existence,—except in successive dynasties of unrelated kings,—until after Perry opened Japan.

In fact Japan's line of rulers passed from one family to another, unrelated, hostile, like the Fujiwaras and the Tairas. In the twelfth century, Yoritomo captured the government and ruled Japan from Kamakura. In the seventeenth century, the Tokugawas stepped in. Nitobe compares these rulers to the robber barons of the Rhine, or the manorial lords of England. And they became the feudal lords or *daimyos* who ruled Japan, and with whom we made the opening treaties.

The making of Japan's rulers continuous is realized

by the same process by which the Western *parvenu* traces his ancestry to Charlemagne, or Alexander. Japan had no sciences of her own. She had no science of history until within the period of our present-day school children. As Nitobe indicates, Japanese history remains to be identified, created, established. The royal power before 1868 was a house of cards, blown down to-day by school children.

Japan's place in universal history is simple and brief. It is true that after the third century, by the grace of the Chinese, the inhabitants of the Japanese isles were able to keep written records, and in the eighth century some of them had a capital. Under the influence of refugees and immigrants from China, they ventured upon the sea, and toward the end of the Middle Ages some moved about East Asia, trading as far as India. They left no place among nations for themselves, and in 1637, Iyeyasu, the first Tokugawa ruler, in a mandate that was not canceled until after Commodore Perry opened Japan, expelled foreigners (Portuguese and Spaniards), abolished the Christianity they had introduced, forbade Japanese to go or come at sea, forbade the building of deep-sea ships, gave the deathblow to all aspiration for foreign connections, responsibilities, opportunities, and obligations, alike. In consequence Japan, from being little and unaspiring, and relatively unimportant, never had any foreign relations, not even with China or Korea, and her administration did not function except in a small area around the Inland Sea. Japan did not repudiate responsibility or concern in foreign affairs; she never had any.

Japan's emperors therefore properly begin in 1868, when they began to rule, with Mutsuhito who, on April

6, gave Japan her "Magna Charta" and started her off as an adult nation, like China, or the United States, or any other country of the world with which she had now to deal. It was because of the necessity of dealing with the world that Japan set up a line of emperors of which Yoshohito is the second of what in English is the ruling blood line.

Yet the scores of little chiefs that were ruling Japan were not vanquished, and in 1877 made a stand against the Emperor comparable only to the stand which feudalism undertook in Germany, by the World War. Japan had only concluded her first self-initiated foreign treaty, that with Korea, and had only taken means to safeguard sway in Yesso and other outlying islands, and it was more than one hundred years after the United States had established itself in East Asia when Japan actually entered into its international affairs, with no acquired rights and no foreign position of her own whatever. Her present position has resulted, since 1876, entirely through "the privilege of youth" which "lies in the inheritance of the dearly-bought experience of age", which Nitobe says explains the statement, often repeated, "that Japan has achieved in five decades what it took Europe five centuries to accomplish."

As Japan owed her past to China, she now owed her present political status, learning, and international position generally, to the West. For it was the order, civilization, and international law of the West that gave her all she claims in the affairs of East Asia to-day. The relations of the United States with China and their foundations in East Asia were long fixed in authentic, impartial, recorded history when this was brought about. And in what Japan claimed

as her position in the affairs of East Asia by which, with the assistance of President Wilson, she kicked us out of the affairs of China, we antedated her by many decades.

The only uncommercial outlay, the only outlay that may be classed as financially unproductive, which Japan has made for the dominion she now enjoyed, has been that of arms. And her arrival at the preposterous position in East Asia, toward the United States, which existed, was a situation that is not explained upon any other hypothesis than that of predetermined aggression for purposes of building up an empire out of the frontiers and resources of other nations. And Count Hayashi has confirmed this as truth. This evidently was her true historical heritage. Her other history might be set aside. Her reality, as in the case of ourselves, lies in what she does.

I have enumerated many of the advantages which the United States has conferred upon Japan, but this has been better expressed by the Japanese, many of whose countrymen are lashing themselves to remember what those advantages were. At the time coincident with the events which I am describing, Nitobe was the envoy here of Japan, to felicitate us upon the happy traditions of our relations, and I remain partial to his words. He said: "When other nations tried to bar our progress or slur our reputation, America always stood for us and with us," although his words: "her Stars heralded to the world the rising of our Sun", intentionally the opposite, are rather suggestive of that inferiority in her vicinity which Japan's politicians and expansionists have accorded us. Whatever we have done for her is a part of the Open Door doctrine of what we would do for others. And nothing of

this but has been held by Japan in these days as menacing to her. Although there is to-day nothing that can serve the aims of making China competent, strong, and self-protective, which Japan professes to desire, so well as American capital and American cultural enterprises, freely employed there, these are the things that have aroused nearly all Japan's enmity toward us. And this is easy to understand in the light of her continuous policy since 1903–1905. No break has occurred, no opportunity has been lost by Japan, in her aggression for ousting other powers from Korea and China, and possessing the cardinal material resources of both countries, including all possible measures for subjugation of China's people, to take from them their heritage in order to pay for her own armament acquired for the purposes of aggression and expansion, and create a Japanese credit that would make Japanese Asiatic military hegemony financially independent of the world.

In her demands made upon China, Japan was again clearly exposed, caught with the proofs upon her. With respect to the professions she has made respecting the Open Door doctrine, she was seen in perhaps the most compromising situation in which she had yet been found. Her application, penetration, acuteness in dissolving ties which cemented foreign interests and rights was Teutonic. She was like no country so much as Germany, regarding every affair of her neighbors as her own, and looking upon all that did not directly contribute to her domination as a menace to be driven out.

In view of the progressive facts of Japan's course during a decade, nothing more is needed to show that it was Japan who first broke and destroyed finally

the original concert of the Open Door for the maintenance of China's territorial and administrative integrity and sovereignty which America had laboriously built up. And she set adrift again, in the international ocean, the vastest body of the human race and the greatest social organism ever known, whose welfare and whose destiny is closely associated with that of all nations in the Pacific area. And she set it adrift for her own purposes, regardless of the welfare of other nations.

When Japan had put the final touch to this act, as she did in the program disclosed in her demands upon China, and the evil that accompanied the exposure of her act was having its effect upon American opinion, she sent to us the venerable Baron Shibusawa, who said that he had decided to come again to America, before it was too late, and testify to the friendship of Japan and the desire of Japan for peace. In his youth, in the days of the restoration, he said, he had been a conservative. But he became convinced of the advantages of Western civilization, and he was glad Japan was awakened from her sleep of ages by America rather than by the hungry, ambitious nations in other quarters. This thought could not but inspire here the wish that Japan, in the awakening of yet other nations, could have imitated us rather than the hungry, ambitious nations of Europe in their years of license in East Asia, or even have imitated them in the Open Door period in their endeavor to give the application of its principles an opportunity to demonstrate the wisdom in which those principles had been conceived and justify the international welcome which they had received.

In 1903, when Roosevelt made his "Pacific Era" speech, the nature of Japan's rise was not appreciated.

We believed Japan had adopted Western culture and the Open Door doctrine, and it was everywhere understood in America that Japan and China subscribed to the principle and spirit in the Pacific which we promoted, which was a benevolent and cultural one, not a military one, and was calculated to secure the Asiatic hegemony of East Asia and a development of modern civilization around the Pacific that would homogeneously and benevolently rule the destinies of the greatest body of mankind, and exert upon the world the love of order, civilization, learning, respect, and peace exemplified in the traditions of China.

But Japan had broken the faith. Shibusawa was an old man, and an honest envoy. He could not conjure away the name of Komura, nor make us forget Ito. But his visit only emphasized the fact that the golden bowl was broken. It but served to brighten the memory of our achievements in the Pacific. We had conquered that region in various ways, before Japan knew anything about it, or had time to feel or feign alarm or distrust. The sound of our guns at Quallah Battoo, in suppression of piracy, or even at the Barrier Forts did not reach her ears. She was asleep — she had forsworn the world. Her people did not fully wake up until the Russian-Japanese War, and then they overlooked all previous history concerning our presence in the Pacific except what related to Commodore Perry. They read us out of East Asia and the Pacific. They adopted all the war cries of aggressive nations, and demanded a "place in the sun", as though they had been deprived of something they had ever before enjoyed and which we were trying to take from them, to do which we had stolen upon the scene unsuspected, and traduced a new found friend.

Neither our people in the Pacific area, nor our country in comparison to Japan, can be considered in any sense upstarts. Nations who profess to owe to America much of what they boast of modern civilization, and their international situation and relations, can hardly call us newcomers in the affairs of East Asia and the Pacific.

To recapitulate: The foundations of American trade, political, social, and all other relations, and of American obligations, and natural and acquired rights and responsibilities in all of East Asia, except in Japan, were consummated nearly one hundred years before Japan claimed any rights or admitted any responsibilities in a large part of her present domain and beyond her own shore limits; nearly eighty years before she decided to adopt any of the forms of the modern outside world, nearly seventy-five years before she consented to have any intercourse with nations. Japan appears to be unable to see beyond her own hunger and ambition.

The place intended for us in the scheme of things to which Japan's demands on China belong, and which is a part of them, after the horror of them in America was manifest, was then defined by Shibusawa. It had often been defined by others, but Shibusawa's words gave the impossible an emphasis which could no longer be mistaken.

Japan's first object of annulling the principles of the Open Door accomplished, she invited America to bring in her capital behind Japanese enterprises for developing China, back it up with government support, and thus give national sanction to Japan in her national policy. Even as China herself, she had to have capital to develop China, and to realize the ultimate aims I have already outlined.

An examination of the utterances of responsible Japanese apologists for Japan, and critics of the United States in her relations with Japan in the Pacific, shows that the prevailing Japanese opinion is that we must accept: first, their view of East Asian affairs if we are to understand each other; and second, that they are doing in China what is for the best interests of China and of foreign powers. A number of the best-known Japanese names in this country, — and some of the ablest in this work are assigned to us, — occur to me in connection with these opinions, but I pick out as national spokesman Baron Yei-ichi Shibusawa, aged seventy-six, as a nearly lifelong friend of America, and the most recent and most eminent envoy to this country since the visits of Marquis Ito and Admiral Togo.

Baron Shibusawa, reiterating the specious petitions made by Count Okuma and scores of his imitators in the past to Western capitalistic nations to recognize the intermediary services of non-capitalistic Japan in exploiting China, and take from her a political and military guarantee for the welfare of their investments in exchange for the banking and mercantile commissions which she would exact, said, in the course of his numerous addresses in 1915, between San Francisco and New York, as follows:

"There is a big field for coöperation between the United States and Japan. You have the capital, science, and experience. We are near China, understand the Chinese, and are racially closely allied to them. So there is no reason why these two nations, by coöperation, should not succeed in taking the largest share in the peaceful exploitation of China. Here is an example of what I mean from my experience

as a mill owner: When you set up mills in China you find that you cannot get foremen there. To bring them from America would be costly. It would be most economical to employ Japanese."

Yes. French mills in America, but German foremen; German mills, but Japanese foremen; English mills but — foremen from some poor, but armed political and diplomatic power waging a "political and commercial penetration and expansion" into the United States!

Nitobe, in describing the code of the medieval warriors of Japan, excuses himself for causing his Western hearers to linger longer than they might over the subject, on the ground that "without understanding them, their ideas in regard to life, to duty, to right and to wrong", modern Japan would "remain unintelligible." "If you can grasp their viewpoint, many things which seem queer and paradoxical in Japanese life will become clearer."

If it were not true that some of the worst of skilled labor in China is Japanese, and some of the best in the world is Chinese, it would take much more than a grasp of the Japanese military viewpoint to make the seemingly paradoxical in Japanese life out to be more clear than it is in these words of Baron Shibusawa. There is no doubt whatever of what he means, what those for whom he speaks mean, what Japan means, the entire military fraternity of Japan to their paradoxes notwithstanding. He voices the Japanese overlordship of China and the Chinese people. But he overlooks the most vital bearing of this proposition, to us. The people of the United States believe in the Chinese just as they believed in the Japanese, and their desire is to eschew all comparisons, all partialities,

all that is "queer and paradoxical", and "when other nations try to bar their progress or slur their reputation, to stand for them", just as in the case of Japan. This is something impossible to Shibusawa's and to Japan's viewpoint. There is a terrific moral conflict in the two viewpoints and the solution will never take place if it depends upon accepting that of Japan, although a solution is possible if Japan will adjust her view to include a consideration of China's rights and the rights of other nations in East Asia. The attitude that a continuance of good understanding is dependent upon a recognition of Japan in our enterprises in China constitutes a monstrous insult to America.

The obvious reply to Shibusawa is this: Why did not Japan establish her good faith as a foundation for proposals of our coöperation with her in China by coöperating with us on the basis of the Ito-Harriman agreement? in the neutralization proposal, and the Kinchou-Aigun Railway? We can only believe that Baron Shibusawa is just another honest gentleman traduced by his Government, like Ito. Or was he merely a diplomat, "sent abroad to lie for his country?" If so, he made a sad mess of it, for he told the truth! He exhibited how the Japanese are not a creative but an imitative people, not a pioneer but a parasitic race, battening itself upon other peoples. He tells us that what we two peoples may have in common in China lies in the employment and profit which we can bring to her or to ourselves, regardless of China.

Do Japanese see that Japan's conquest and ambitions can be attained only by battening upon other nations, and for this is the Japanese propagandist organization kept at its maximum, and honest old men found to

make friendly pilgrimages to distant countries in the effort to make others think as Japan does? The docility of our people under the workings of this process is one of the phenomena of the situation. They do not manifest the least consciousness, nationally, on the matter.

But when we consider the naïve candor of Japanese statesmen, publicists, and propagandists, understanding Japan is no longer a puzzle, as was said of a well-advertised American pacifist — it is a pursuit.

CHAPTER XVII

Back to the Ships

It is obvious that the conflict between the United States and Japan is centered, not in racial and economical adaptation or amalgamation, but in moral principles of life, character, and national existence that find a manifestation in the Pacific and East Asia through the existence of China. And they would have had no chance to display themselves in that quarter had it not been for this greatest of all treasuries of life, and depositories of real and potential riches which is their present refuge on our west, and to our long connection therewith, and our acquisition of the Philippines.

There, in China alone, those moral principles are bound up in the greatest symposium of solemn treaties between great and many nations that ever were written in recognition, protection, and support of organized empire, civilized society, nationality, sovereignty, integrity, government, and human right.

As Japan's deeds, national policy, and declarations proclaim her national assumption of the unfitness and unworthiness of China to the consideration framed in these treaties, we must know what is the matter with China that we cannot rightly and to our lasting good ever defend them.

Many criticisms of China have been made. Nothing more need be said of what the Japanese think, and there remain the estimates of the West. I begin with ourselves. To me, the most original and interesting of all criticisms is the learned denunciation in inclosed epithets delivered in Peking during the reign of the Manchus by Doctor W. A. P. Martin, dean of sinalogues and missionaries in China, who said: "China is not a nation; China is an old ash barrel, held together by the Powers, with a hen inside, goose if you will, sitting on golden eggs." The excoriation passed unheeded then, for China, like Gallio, "cared for none of these things." And whether one called her "a dead whale on the ocean of international affairs", "a bone of international contention", "a boneless giant", "Maud Muller", "a rag, a bone, and a hank of hair", she cared not. And the few Chinese who heard the invidious comparisons out of the carping West squandered a little time in telling us how much the matter was overrated, convincing us that, of China, it was not so, anyway. "Big, unlearned, and poor"; "bearing the curse, truly, of a political hookworm"; "having no intelligible self-expression"; the West took note of little more than that "many children played round her door." She was a decrepit and family-ridden old woman living in a golden shoe; a nobody in the modern world, usurping a rich but tattered palace, while those who envied her the satisfaction of Demosthenes, the antiquity and glory of Cathay, and coveted the wealth and magnificence of her habitation, snatched at its fittings through the years and were laid beneath the slab that marks the resting places of all those who tried to hustle the East.

But as the race never dies, criticism and diatribe

went on until finally, about 1900, after every other virile people in the world had condemned the fate that through her apathy and indifference to the ways of the West had overtaken China, as the one most to be abhorred, came the last straw. Pacifists eulogized China for her policy of nonresistance. Then China woke up, and began to rub her eyes at the spectacle of the modern world.

China had succeeded Turkey as the sick man of the world, and many physicians met at the diagnosis. The church came first. Since St. Francis Xavier had struck his staff upon the southern coast crying, "Oh rock, when wilt thou break?" China's malady had been heathenism. The clinic was made easy in those days, ere complications from modern merchandising and gunboating. What the matter was with China was perfectly simple. But as the church brought the leprosy of political domination, and added it to the itch of China's stagnation, China solved the problem of another disease thrust upon her by erasing the church. She was equal to prevention if not cure.

Then came the Protestant missionary who stirred up nearly all the real stir China has had. And ever after, the dead level of criticism by the church was one of Chinese sin. The church continued to urge Christian belief upon China. Eminent laymen also held this view, commending missionary ministrations. This was the attitude of Robert Hart, whose opinion on all questions concerning China was held in respect. He once said that perhaps the best single action China could take would be that of adopting the Christian religion outright as the national faith. Even a Confucian scholar had offered the opinion that as Christianity was the prevailing religion of the most

advanced and strongest countries, China should adopt it the same as she adopted Western sciences.

This was after the Russian-Japanese War, and there was given in Peking an address by an eminent Protestant missionary on the same subject, but under the title: "The Question for China." The missionary's answer was an affirmative; the question for China was contained exclusively in the problem of what religion she should have, and her salvation lay in adopting Christianity.

It was a sermon with a practical infirmity. It was fatal in its logic. Its remedy, to effect a cure, involved the universally dangerous process of swapping horses in midstream, while as an assertion, the answer to the question for China had this effectual refutation, namely, that although China had been acquainted with Christianity for several hundred years, nevertheless, had any one asked the Chinese, hardly one could have been found out of the hundreds of millions to give the Sunday-school answer. On the contrary, the universal reply in China would have been that the question for China more than ever was one of driving the "foreign devils" from Christian nations into the sea. China had only just tried this, and the result was the greatest evidence she had yet uncovered of the primal correctness, if inexpediency, of that course. The farther China went, the more apparent this became to Chinese, and the more enlightened Chinese there were who found this unction creeping close to their hearts.

The first to stir China, the first to get a reaction, were the missionaries. The elder Catholics stuck the goad into both China and Japan and got the Inquisition thrown into them in return. They snatched at

political power, but both China and Japan beat them to it. Trade got the next reaction; it taught the mandarin to respect the integrity of merchants and the requirements of commercial intercourse. Still China was behindhand and committed the unpardonable fault of getting into politics. China was behind time at Macao in the sixteenth and seventeenth centuries, at Canton in the eighteenth, at Nanking in 1842, at Tientsin in 1857–1860, at Seoul in 1894, at Peking in 1900, with the Boxer uprising, as well as in 1908–1910 respecting international loans. And although her movements were so rapid that in ten years she went farther than in the previous two thousand, she never was farther behind than in the matter of a reformed monarchy for 1916. And it was seen that if some other countries serving as drags to Western hustle and Eastern grab should go down, China would get the effect of the released force from all points of the compass and suffer the whole jolt.

The political pace in China had been accelerated by material progress. Little happened between 1517, when the Portuguese came up the China Seas, and 1840. It took from 1842 to 1860 for the West to get to Peking. Thirty-five years of silence then reigned. But consider the rapid-fire epochs since 1895 — one every two or three years, as defined by: Treaty of Shimonoseki, Boxer Uprising, Russian-Japanese War, foreign loans and financial and industrial reform, revolution, republic, loss of Chinese colonies, monarchy, etc., all within twenty years.

A generous, energetic, well-meaning, and deserving American thought to revive Persia and make the world love her as it did Turkey and China, but failed because Persia had been embalmed a long time before the Amer-

ican physician came; that was why he was called. Except China, Turkey has been the only international bone the world of international bone-contenders cared about. And if Turkey is found to be embalmed, the fact that China is "yet alive" will make little initial difference to the political blubber-hunters. Except: It is in human nature that when the latter gather for the first time about a single carcass, the troubled spirit of John Hay may be treated to a soothing world chorus of "holy horror" that may bring a reaction, a pause in the riot of plunder, a breathing spell for China.

A realization of all these things has left China's critics anything but niggardly. They have been most flattering. As a result China impersonates, as it were, the whole human race, and individual men and women are standing upon every hilltop, with ropes and life buoys in their hands, trying to save her. A very strong case has been made out against China. Its argumentations, and argu-fermentations have been heard for sixteen years, and while one's inclination is to despise and distrust them, history seems bent on writing the Chinese off the calendar because they have not been able to speed up. It is said that her whole defense has gone by the board, and she has failed in the last resort, the resort of arms. Even the Church would have condoned progress, civilization, and respect in the world, set up by the sword, but it was not of the Church or the world to condone China's hanging like a carcass upon the necks of those volunteering to help her. She was the champion political mendicant of creation, unwilling to raise a hand in her own behalf so long as some one would do it for her. She suspected the outer aid

which took time by the forelock and offered itself, and it was only possible to be to her a disinterested friend when the wolves were not only about her but had their teeth in her trunk.

Thus the critics pulled China into the last court and found her a military bankrupt. Political mendicancy, maintained as a continuous performance, effectually prevented her from making any defensive alliance. The fan, the umbrella, and the teapot had disappeared as military weapons in the Chinese army so recently that they had had little influence in lightening her as a helpless burden to the powers. When the Japanese first invaded Manchuria in 1894, the inhabitants had pulled their boats ashore for them at Pi-tzu-wo, and they repeated this gaucherie ten years later, when they did a similar service for the Russians. At Kinchou, a Chinese soldier suicided before a temple shrine rather than die on a battlefield of the Japan-China War. The capacity to make a military demonstration that would give her the power of making an alliance, therefore, was not in her, and she was written off militarily as a dead weight of danger to any nation that might undertake singlehanded to defend her.

In politics and war her situation was hopeless. She stood alone against the world. As I have described in another place, stark civilization was her opponent, "and even the massive organism of Chinese society might well be staggered at such a situation. Its dangers were reflected in the opinions held in the chancelleries of the great powers. She could not realize the menace of opposing plans laid for her by nations along her frontiers: already the powers had taken her foreign customs. She faced the ordeal of emancipating herself from foreign finance, and from

foreign relations whose complications and dangers increased in the exact ratio of her rise to world consciousness. Moreover, some of her leaders professed indifference to these foreign questions which were the whole substance of her political existence, and to the fact that her fate as an entity was in the hands of four powers, whose territories completely surrounded her — Japan, Russia, Great Britain, and France. Other powers, like the United States, Germany, and the lesser European countries, could exercise little influence over the Chinese policies of these four powers. Near or far, there was no border or outside nation to come to China's aid. There were no virile Manchu tribesmen left equal to leadership, as was the case in 1644. In short, stronger outside peoples had worked out their own salvation without China, and China could expect nothing from them."

China was without truth and honor. Having been tried and found wanting, China's Western diagnosticians and critics, including many eminent men from both Europe and America, came to East Asia to view the Confucian patient, and concurred in the criticism that China after her revolution meant, "not the few enlightened leaders, the Republicans, but the masses scourged by contagion and famine, burdened with a new poverty due to the higher economic plane of the nations that surround and antagonize her, and oppressed by administrative anarchy. She was without efficient labor, was cursed by ignorance, had no common language or means of interstate, or even in many places, inter-neighborhood communication, no systematic currency or taxation, no internal national credit, no roads or other adequate communications, no money capital with which to elevate her economic

plane, so as not to be ground between those of rich opposing nations. Her forests were impoverished, her rivers uncontrolled, and with an increasing population, the figure of government was gnawed at the knees by starvation." Nothing was left unsaid of China by many Western critics, except that Hell yawned to receive her.

The chorus of calamity started by the Church, swelled by traders, diplomats, and financiers, and joined in by Western educators and intellectual leaders, had aroused China's neighbors. And at last above the din of revolution was heard a yet more terrible indictment. Of all things came the curse of Japan. The beneficiary had turned upon the benefactor: the whelp had attacked his sire. The Japanese then pronounced that condemnation which I have already given, so well known because of the caustic eloquence imparted to it by Okuma. On behalf of Japan, he proclaimed the end of China.

And then the world woke up. It did not wake up as much as it wanted to, because the World War was coming on. But there were twinges of the Christian conscience, for the Christian awakenment prematurely of Japan, and the washing of Christian hands of Christian keepership of victimized China.

Time had made it easier and easier for everybody to criticize China. It was easy enough when the Church started the pace, when trade crystallized it in the world, and politics and diplomacy exploited it. It was easy enough before Japan took a hand in it. But when she became an example of progress, even to some Western nations, it became more easy to damn China than before it had been easy to complain of her. Christian civilization has the shame of knowing that Japan

has damned China in its eyes merely by her virtues of military self-preservation. Constituting a large part of the civilized world, in men and area, the world's real center, and in modern times the cynosure of all eyes, it can be said that "of all sad words of tongue or pen" in the Pacific, "the saddest are these, it might have been" that China would have beaten Japan to a place in the "family" of nations. China has that the matter with her which accounts for almost nothing having been said of her in the great war crisis of mankind. Her only friend was America, and her only means of world expression the untrammeled, but "goat"-loving, vagarious, and irresponsible American press.

It is easy to see that what I have already said is merely an attempt to express the multitudinous answers that have been returned respecting China in the past. To ask to-day what is the matter with China is a different thing. Up to the great epoch in China of 1905–1911, the matter with China was that which is the matter with anybody whom everybody picks at. She was the acme of imperfection. But she was so bad, and all the rest of the world was so good, that each offset and nullified the other. The world had at last got suspicious and commenced to really look about in order to find out what actually was the matter. With grim humor, and a natural contempt for the perspicacity of the West, a beacon was hung out on Fujiyama, by Okuma, as I have explained, greatly illuminating the scene. Some good things were said of China. There was a man, now dead, whose cry had come up from the Yangtse Valley that more per capita happiness existed among Chinese than among any people or civilization. It was Archibald Little,

and his voice was remembered. Robert Hart had confirmed the truth of the discovery that despised China alone had passed the acid test. It was then that the question became: What is the matter with China *now?*

After the Russian-Japanese War, the situation for China was altered. A period of temporary confusion, and it became clear that China's trouble was Christian civilization's political irritant, modernized Japan. No enlightened Chinese would have held the view that the question for China was to drive out Western peoples. On the contrary. And at the beginning of 1915, Japan masked her beacon and answered the present question: "What is the matter with China?" with the political bombshell known as the demands upon China.

In the rich kaleidoscope of changing events in China it would be wasting time to linger over the economical or ethical principles underlying these changes. All know the influence of Christian education, and of American institutions there. The increase of population in East Asia and the financial demands which accompany reform and progress are sufficient answer to explain the economic turmoil. The effects of the introduction of modern industrialism into East Asia, and of foreign competition there, are, in their general effects, everywhere clearly known. The assumption by Japan of industrial, commercial, and political leadership is also known. A glance at Japanese literature shows that Japanese thought, working under the yet young Western yeast there, reeks with lugubrious reflections on Japan's wrongs and dangers at home and abroad, and Japan's destiny everywhere. Her policy everywhere confirms this to

be the spirit of her agents. "Japan's population doubles itself in fifty years; ditto Korea, China; whites double in ninety years, sometimes never; Japan is the leader of East Asia and the Pacific; therefore the future and the world are to Japan, and East Asia under Japan." This describes the prevailing Japanese imperialists' notion of the world. The formidable ideas working under the shifts of the kaleidoscope are therefore political, and furnish the only key to an interpretation of events.

In a war of the five continents and the seven seas, as every one can see, it was China's fate to be again left behind. Picked at by mankind, and flopping along the strange road of the world, China, in the absence of the other great powers, was to be struck at by Japan. Thereupon came the quacks. It was found that the Chinese, on the apparent authority of the American adviser to the President, Professor of Constitutional Government, Frank J. Goodnow, could be compared to the mixed races of the unstable Latin-American States, which, without automatic succession in rulers, fall victims to military dictatorships, the worst form of government. And so, with Yuan Shih-k'ai's sanction, his counsellors and henchmen, copying American pacifists, set going a *Preservation of Peace Society*. For what? Why, the gathering of monarchical support, and the isolating of opposition to the president becoming emperor and saving China.

This was strange, as Yuan from close studies during the last three years of the Manchu dynasty had concluded that not more than three tenths of the whole people belonged to the advanced party; seven tenths were still conservative and satisfied with the régime of the empire; and if the revolutionists succeeded in

overthrowing the dynasty, another revolution might take place headed by the conservatives, and having for its object the restoration to a monarchy. "And then there would be chaos for several decades."

The conclusion seems obvious that Yuan Shih-k'ai was mistaken by the conspirators for the embodiment of both revolutionists and conservatives, or he never would have set out to mount the throne, as he did immediately after Japan's demands.

It was a conspiracy. But, too, it was a conspiracy to save China with the hand of iron. In a few weeks all the parts of its hollow machinery were in the hands of the Republicans and of the foreign powers, including Japan — propaganda, telegram forms, codes, passwords, and everything. And the Republicans had secretly paralleled the conspiracy with a plan of rebellion.

The machine was set in motion on August 30, 1915. On October 7, it emitted the set process for nominating Yuan Shih-k'ai as emperor. On December 11, Yuan's Council of State read the votes of the monarchist's agents in the provinces electing him emperor, and tendered him the throne. On December 29, Yuan gave orders to attack the Republican rebels, in arms against his usurpation. He put the crown away, but on January 2, 1916, entered the palace in the imperial yellow chair of the last dynasty, sat on the throne, received officials, and the salutation of "Imperial Majesty", and appointed the Minister of Agriculture and Commerce as a special envoy to the world, — well, to Tokio, — to announce the new reign. The envoy was given a final reception and entertainment by Japan's representative at his legation in Peking, and then, as the departure for Tokio was about to occur, Japan de-

livered to China a notification that the mission, headed by the special envoy, could not be received in Japan. On January 22, Yuan Shih-k'ai postponed the monarchy, and on March 22 resumed the republic. The new revolution was on.

Japan had struck government by Chinese, at Peking, which was setting out to save itself, a telling blow between the eyes, and placed itself in line with the rising revolution. What the quacks failed to see was that a monarchy could come in China only out of great stress and trial, such as had produced a republic, and such only as could produce the man for a monarchy, as it had produced the man for the republic. The situation found Japan with all the great powers save Germany and America at her back, still the master on the mainland, with no promise of help from the outside world. She was in line with the now enraged and winning Republicans. Then came a characteristic Chinese patriot's analysis of the situation of his country. E. S. Ling, in a plea for the republic, thus made one of the latest summaries of what is the matter with China.[1] Condensed to a few flaming phrases it was: "It is heartrending to depict the situation of our country. Fellow countrymen! China to-day is at stake! And her peril is 'so imminent as to burn the eyebrows.' The struggle is not one against race or creed, but one against brothers of the same family. Nothing is more tragic and suicidal than civil war. It serves as a stepping stone to territorial acquisition by some greedy power. 'While the kingfisher and the oyster are contending, then the fisherman reaps the benefit' — of seizing both."

In short, the struggle was one of uniting to oppose

[1] *North China Herald.*

the "greedy power." All through the monarchical conspiracy is woven also the thread of suspicion of Japan. In some places Japan is named outright, in others she is referred to as "a certain foreign power." She is charged with having "lately forced England and Russia to take part in tendering advice to China [against the monarchy] under the pretext that the Chinese people are not of one mind and that troubles are to be apprehended." Later the monarchists at Peking telegraphed secretly to their agents the following: "As a divergence of opinion exists between Japan and the Entente Powers, the advice is of no great effect. Besides, the Elder Statesmen and the Military Party in Japan are all opposed to the action [as above] taken by their Government." Yuan Shih-k'ai and the monarchists were described by onlookers as engaged in a death grapple with Japan, and they were seeking advantage in the prospect of a divergence of opinion and policy between the civil and the military parties in Japan.

On the other hand, under the ever present shadow of Japan's demands, the official republican loyalists who rose up to suppress the monarchy, after charging Yuan Shih-k'ai with impoverishing and debasing the country, and setting the people against each other, and setting forth his failure, at a time of "temporary relief from external danger in consequence of international friction, to improve this hairbreadth chance of saving our nation", said thus: "he has proclaimed himself Emperor, and this at a time of imminent national danger. Were a man standing by the side of his dying father to seize a knife and stab him, what else would so conscienceless a person not dare? And yet this is just the thing Yuan Shih-k'ai is doing to his country."

In November, 1913, Sun Yat-sen, first President of the Republic of China, who had taken refuge in Japan on the recent collapse of the second revolutionary rebellion, said: "I did not rebel against Yuan; I opposed him because of the policy of assassination and suppression he had adopted in order to prepare China for a monarchy. He has gone so far now that the only possible outcome of his course must be for him to make himself Emperor. He will do that."

So he did: no doubt with the object of saving China, saving it "in a time of international danger", by a "hairbreadth chance", from a "greedy power." The image of Yuan Shih-k'ai as a parricide, drawn by the Republicans to show China's situation, is sufficient evidence of what their conception of it was. Whether defined by Republicans or monarchical conspirators, the matter with China remains the same. With all the other great powers absent from East Asia, it centers itself in Japan — Japan, the Chinese patriot's bugbear, his *bête noir*.

Japan welcomes this distinction. It is no longer a point of Western etiquette in relations with our Japanese friends to soft-pedal this theme. Japan's most eminent men, public and private, have served notice to mankind in a thousand ways that Japan has put her hand to the Asiatic plow. The whole world's international firmament has been blazoned with that intelligence ever since the runaway n'th-power arc-light of her demands upon China replaced the beacon on Fujiyama. In simple words, therefore, the innocent onlooker must say that what is the matter with China is Japan.

A country that in ten years has moved farther and

faster than in the two thousand preceding years cannot justly be condemned from without. In the existing conditions China's question is external. Her problem is what can she do with Japan? The only answer to this question is that suggested by the rapid progress to consciousness in China, and by the military progress of the world generally. The most hopeful sign in China since the overthrow of the Manchu dynasty was the rebellion against recurrent monarchy. Its success demonstrated an important fact in Chinese progress, namely, that the Chinese know where they are going. It showed that a change of their form of government could not be made any longer by conspiracy, that though they might know nothing about the fine points of a republic, they now knew how to assert their new birthright of volition in affairs that are a key to the interests of the whole world. Chinese will have justified their independence of foreign advice, and a great many other Chinese prerogatives, by successfully wielding the cudgels to right their wrongs.

The bravery and peculiar efficiency of the Chinese soldier have never been successfully attacked. His greatest defamer has been his literary brother within. The American soldier of fortune, General Frederick Townsend Ward, by his success in building up an army that eventually broke in China the T'ai-ping Rebellion, long ago revealed in the Chinese a great reservoir of military talent, a martial mass which no plummet can measure. Christianity, foreign advice, reform, development, all have been panaceas offered for the salvation of China. It may be that the personal sacrifice of a Ward or the help of a Gordon is what she needs most. There is no manner of doubt that if she could roundly thrash Japan, not only all China's worst

troubles would be solved, but all those which Japan rails against. China is aware of the value of thrashing Japan, or any large nation, and of the fact that from it there would accrue to her spiritual and material blessings greater than from everything else she could do combined. The light of history, awakened knowledge, and reason commend to her the treasure of the sword, the very "jewel in the lotus" of self-preservation and national life. She is reading the prophets and sages who make Jehovah Himself jealous of its power, and fearful that its secrets will be accepted at their full value by the world. That the Chinese are on the point of discovering this secret of a divine aid, and a certain friend in time of danger to four hundred millions, was one of the things revealed in Japan's demands.

In 1906, David Starr Jordan, the eminent scholar, educator, writer, and pacifist, in a baccalaureate address at Bryn Mawr College, pronounced the French an effete people furnishing a conspicuous illustration of racial decay in Western civilization.

In 1916, David Lloyd George, the eminent English statesman and Minister of Munitions said: "No nation has reached the heights of the moral grandeur of France during the war. I set her as England's constant model. Soldiers and generals show qualities of endurance, courage, and military skill worthy of the highest deeds of Napoleon's army. We are now too close properly to judge the immortal pages written by France in the book of history, but historians of the future will write of the splendid deeds of her sons in letters of gold."

France's effeteness, essentially ascribed for years to her inability to see France over-populated by French-

men, and to overflow her borders with immigrants to other lands, was under the close scrutiny of all mankind!

The kind of "effeteness" pronounced against China was due largely to her inability to limit her population. The only moral which reason can draw from these considerations is that in determining a course of action for the individual or the nation, especially with respect to an innocent or unoffending and worthy people, incomparably great, it is better to be guided by the dictates of humanity and morality than by the judgments of learning. Not only can no man judge to-day what a people may be to-morrow: he cannot with appreciable certainty determine wholly what they are to-day. China to-day is more massive, greater, and more hopeful than she has ever been. "She has a full appreciation of her past, and has received great gifts from the West. This is indeed, to her, the true Golden Age" which it is possible for her to make permanent. A nation whose concern in the Pacific since 1784 has been directed to maintaining a policy of safeguarding China in the integrity of her territory and sovereignty, to securing equality of right among nations there, and to protection for future generations of Chinese of their birthright and heritage, has a task from the prosecution of which it will never need to recede. On those principles it can reassemble the charts by which, from 1784, its ships have reached the Pacific, and build decks from which to contend for its integrity in the theater of the world's future greatest events.

CHAPTER XVIII

Blows from Japan

The gulf that yawns between China and Japan is the same as that between Japan and the United States, which was unwittingly measured at the time of Japan's demands upon China, by President Wilson. Regarding our own demands with respect to the policy of Germany, whose submarines had sunk the *Lusitania*, he declared that we asked no more for ourselves than we asked for humanity. That doctrine, the doctrine of the Open Door and equal right, was more foreign and homeless in the Pacific than in the Atlantic. The Open Door, as it had been understood and developed since the days when we first came as free traders to China, and before, had passed away. We were nearer in understanding to China than to Japan. We were one with China in our conception of the future. Respecting Japan, we were at the poles apart in conception of the future.

Even Bryan's dictum in connection with our withdrawal from the loans, namely, that securing first the moral and religious welfare of the Chinese people was the best basis for commerce and trade, was as offensive to Japan as our enterprises in finance and industry. The missionary and teacher, as shown in Korea, and as testified to in the Japanese press, was as repugnant

to Japan's traders as to her "kulturists." Japan was as incensed at the revolutionary effects in China of American teaching and cultural influence as she was at the impertinence and blunders of our diplomacy. When her demands were applied to China, American missionaries at Peking sent a cable dispatch of several thousand words to President Wilson, invoking his interference to shield the work of Christian civilization in China from the menace of Japan's aggressions. The cable tolls, amounting to more than five thousand dollars, were so extravagant and costly that they could be paid only by the Chinese exchequer. Several delegations from the American missions and their institutions in China, from the Yangtse Valley to Peking, called on the Secretary of State and the President, at Washington, and laid before them the conditions of insecurity and the menace to cultural intercourse and international freedom already existing in Japan's interference in China and the threat of an extension to China, in the appreciable future, of such conditions of missionary and cultural work as had developed in Korea.

The rift which separated us in East Asia at the same time was emphasized by our differences in this hemisphere. We were negotiating over the question of Japanese rights in California. We utterly failed to reach an agreement; we had no common ground. Unable to move our Government to interfere in California, Ambassador Chinda rose to leave the State Department, asking disappointedly respecting the refusal: "Is that the last word?" And Secretary Bryan replied: "There is no last word between friends."

Nevertheless, the rift was widened and deepened.

As a bridge across the gulf that lies between us, or as a bar to the fleets and armies of the Pacific, this protestation of friendship was frail and untrustworthy. It could not stand the test of the great question between the United States and Japan, which is one respecting the rights of nations in East Asia, and does not depend on the social and racial relations of the two civilizations in the Western Hemisphere, which is a subsequent issue.

The Japanese leaders of aggression and expansion see that the weakness of their case lies in their not antedating us, in rights and treaties, and the influences of learning, culture, and national institutions, and in all that concerns other foreign rights, in East Asiatic affairs. They therefore seek to graft themselves upon the Chinese stalk, and by domination of the Chinese, stand for the Chinese, as well as for themselves, in all Asiatic issues with us.

If Japan could be got to adopt a "Monroe Doctrine" for East Asia, the gulf might be bridged and the greatest difficulty between the civilizations across the Pacific solved. So long as Japan forcibly demands special rights on the continent, concessions, expansion of her continental population, perpetual leases, land, extraterritoriality, sovereignty, and exclusion of Western peoples, her policy cannot be compared to the Monroe Doctrine. It cannot be called the policy of the right of the unadvanced to unhampered self-development.

Ito was the advocate of the policy in Japan nearest to that defined by the Monroe Doctrine. But Komura dressed him up in a political garb, along with other Japanese statesmen, in which he became unrecognizable to himself, and was caught dead in that garb at Harbin. It was like decapitation, as understood

by the Chinese, with Ito's body wandering about Purgatory looking for its head, and uttering curses upon Komura. The Monroe Doctrine for East Asia, so far as it was possible, was buried with Ito. In order to draw near to the Monroe Doctrine principle in East Asia, Japan must reverse her policy and go in the opposite direction. Does any one believe she will do it? If she will not, the Pacific problem goes forward under full headway.

Japan will not reach that place in the road again. She has gone too far. She entered China in the meantime by a back door. She came in by way of the Russian frontier through special rights claimed on the basis of equal rights with Russia, and with Russia promoted expansion to cut China off from the rest of the world. Nobody can be in doubt as to what was Japan's aim in setting adrift this great body of the human race. It was evidently the same as in the case of Korea, namely, that by doing so, and by manipulating other powers, she could bring China under her own control.

Such a result would warn the West or such part of it as continues to believe in treaties, and the peaceful elevation of East Asia, to resume the fight for freedom, democracy, and the rights of nations. Since August 1, 1914, nobody believes that in the struggle of Western nations in the past that fight had been won. Even had it been, those rights would still have to be defended in the Pacific. If we are not prepared to be driven like dumb coolies to the fate of the Pacific, we can only dispute with every means in our power the expulsion from treaty countries in East Asia, by Japan, of Western peoples and influences and their regulation through Tokio.

After her demands made upon China, it was clear that the Japanese leaders thought they could go back and make things over, so far as America is concerned, on the ground of the failure of Western civilization to meet Japan's immigrants halfway in this hemisphere. If that is their thought, America will know how to prepare for it. It is no doubt the motive for the propaganda kept up in the United States, and a proper understanding of that motive and propaganda will come first. When we have reached some conclusions among ourselves on this point, we will understand more clearly Japan's object in fighting old quarrels.

A country that is carving its frontiers out of other people's preserves has to make many explanations. Perhaps the worst evil of Japanese explanations is that they pass current in this country, and many people who acquiesce in them are inclined to believe only good of the Japanese and only evil of ourselves. And one day when it is necessary, or worth while to a calculating people, these too numerous protestations will be resented. The confusion among both peoples thus caused, preventing them from clearly separating the two issues, which are spread ages apart by history, treaty, and right, has been made to suit precisely the needs of Japanese policy and utilized accordingly. But the more insistent Japanese become in mixing and reversing the issues, the more violent will be the clamor for war in both countries.

Coming so late upon the scene of international affairs in East Asia and the Pacific, as well as abroad, the opportunity to go back and make things over was the signal which in 1903 pointed out to Japan her great rôle of military conquest. To recover advantages which she was satisfied to ignore when others were

trying to bring East Asia into the path of modern knowledge and progress, and rights she never possessed, she was obliged to resort to force and injustice.

It was not new in the world — it was the course of her ancient Asiatic and European predecessors whom she chose to imitate. Epithets that were long hurled between Europe and East Asia were cast back and forth in the Pacific. In 1903, Russia advised Japan to occupy herself with domestic and internal development. In 1905, Japan returned the compliment. In 1910, in the selection of July 4 as the date of Japanese emancipation of Russia's affairs from the restraint of the principles of the Open Door, and Japan's independence of the obligations which Western civilization and international law laid upon all nations in East Asia, she began against us the petty but vindictive innuendo with which she had, it must be admitted, promoted a successful conquest of her fighting opponents, notably Russia. In her advice to Germany, in 1914, at Kiaochou, she employed the very divinely retributive phrases in which, with Russia and France, Germany had warned her out of Liaotung. And in 1915, at Peking, she advised the rest of the world in the same way.

"Japan never forgets," and she has furnished all the evidence to show that she is engaged in avenging old insults, in more than evening up old scores. Her surreptitious demands made upon China showed she trusted nobody; she had no friends. Was it to be expected next that, to opportunely electrify the world, she would attack Spain in some strategical diplomatic center, for the political grudge she bore her in the seventeenth century, on account of the pretensions of the Pope's religion? Was that to become the organic

reason of her latest resentment of our presence in the Philippines? And would she fight every one, as she had advised and threatened every one, on occasion, because, as Nitobe said, the Western powers at one time, about "forty years ago, seriously discussed the partitioning of Japan?"

We laughed when Japan turned their own phraseology upon Russia, France, and Germany. There was a great silence when she played with the date of the foundation of American independence and the principles of the national existence of the United States. I have waited until this return to the incident of the selection of July 4 as the date for the Japanese-Russian "predatory pact", to make a necessary slight analysis of this diplomatic torpedo left upon our track in the Pacific, for our elevation. To do the people justice, they were too indifferent or too ignorant to resent the Japanese innuendo. But it was a circumstance that could not escape detection, and it deserves careful psychological study.

The Government of the United States never has sought to insult the Japanese nation. Americans believe it incapable of doing so. Yet Japan, through its highest office, the Ministry of Foreign Affairs, appears to have made the most careful arrangements to put itself on record in the title rôle of international insult across the Pacific by methods peculiarly associated in the minds of Western peoples with the petty, despicable, and "Oriental." While felicitating the nation officially through its ambassadors and ministers in no less than forty-eight capitals of the world, and through its consuls-general, and consuls, in a score times as many American consulates-general and consulates of the world, to say nothing of the official felicitations on

the decks of our war vessels in their stations in the world's ports, and the direct felicitations of the Japanese Foreign Office at our Embassy in Tokio and at the State Department at Washington, the Japanese Foreign Office executed this pact for a Japanese-Russian Asiatic doctrine. Its officers either executed it and went out to felicitate their American colleagues, or they went out and felicitated them and came back to execute it. It was all done on the same day, July 4, 1910.

That "the Japanese are a proud and sensitive people, who prefer to be wronged rather than insulted" is a gratuitous euphony in the vocabulary of Japan's self-appointed American defenders, which has always had the respect of American critics of Japan. If this is so of the Japanese, the depth of their anguish when wronged is somewhat measured by the insults of which their leaders on occasion are capable. And their sufferings are not without a compensating talent.

We did not have a war with Japan in ten years as Harriman thought. By surrender at every point of contact in the Pacific, except in California, and by the World War, we were brought to avoid it. Japan eliminated us for the present because she could; it was a feasible undertaking, like any ordinary diplomatic project. We kicked against the pricks, but we retired because we would not fight and would not compromise. We can see that any pact with Japan is one in which we would pay, along with China. Even Russia had not pretended that she was sharing with Japan. She merely began paying on demand, by installment, the high price for her pact which she refused to pay in an indemnity after the Russian-Japanese War.

Conditions in the Atlantic, because of the World War, then came to a state resembling those in the Pacific. It had been as out of place for us to sanction the Japanese policies of the Europe-Japan alliance in the Pacific as it was now to sanction central European policies in the Atlantic. It was as out of place to countenance in the Pacific a Japanese policy sanctioned by Europe as it would be to practise in the Atlantic the policy of Japan. Should we basely accept the so-called inevitable biological facts that are said to sanction the making of a bloated and unnatural Japanese empire out of other peoples' territories in the Pacific, as have Turkey, Austria, and Germany in Europe, for example, the godlessness of the Pacific would be complete so far as government is concerned, and we would have surrendered our principles and accepted those involved in the fate of Belgium and Serbia. The choice offered us by Shibusawa was absolutely unthinkable to the American mind, as it was previously to the British, and impossible to the American conscience. No government could be tolerated that attempted to strike such a bargain with Japan.

We drew even farther away than if Japan had not made to us those *gauche* overtures expressed by Okuma, Shibusawa, and others whom I have quoted, and which Ito probably never would have made. Our people in China complained that we abandoned them. Our natural policy being one that takes more force to support and stick to than any other we might be persuaded to adopt, by powers like Japan, Russia, or even Germany, we left them behind. But it is not conceivable that Americans can be persuaded from it. If they are not traduced in succession by their politicians, they will return to the Pacific.

It is possible that we have overplayed our hand in East Asia in the matter of educational and political influences, especially in the development of Japan, somewhat as Germany overplayed in this country in connection with the World War. It is possible that, true to human nature, or "biology", the Japanese can never forgive us for being their predecessors and leaders, in the Pacific, that is. We know that a record clear of having deprived any nation or people of civilized liberty, freedom, territory, sovereignty, — clear of revenge, — is not enough. To give and take in international affairs, to be fair, will not see us through. We have to arm. A country that desires to keep an exalted foreign policy needs a larger military than one which, by pulling and hauling and trading with other powers, pursues a selfish course of aggrandizement. The latter confines the field of hostile contact to the direction of its selfish aims, and by sharing the spoils with whom it must, extends around itself the area of neutrality. The former has to rely upon the honor and far-seeing discernment of nations and a belief that they are not totally depraved.

Our problem is large, but the line of our movement is that of the principles on which our country was established; they are the same as in the Open Door doctrine, and we cannot change them. We have no certain way of massing our people behind our Government and our Government behind the inclinations and aspirations of our people, as has Japan. But our experiences in China and the affairs of the Atlantic have exercised a lasting influence over our foreign affairs. They have been the instrument that molded reform of home and foreign banking, communications, and foreign trade methods which may be seen in

movements to strengthen our position throughout the three Americas and in the world; and though we cannot hope to be the diplomatic genius of international coalitions that Japan is, nevertheless events must shape themselves to the same ends in the Pacific that we are pursuing in the Atlantic. And if America, the democracy, is to continue to exist, it will be because the gulf between the policy in the Atlantic and that in the Pacific has been closed up, and the rights of all nations there, large or small, strong or weak, are respected.

We have to cherish with an indelible recollection that it was Japan that prevented the realization of our trade and the mutual benefits of commerce, and by our answer demonstrate to her that we accept the gauntlet she has thrown down. Japan has fought our influence on the continent and in the territories of our ancient friends since before 1880, when she resented our effort at opening Korea. According to the semi-official testimony of her Year Book and many public official and unofficial utterances, she blames us largely for the necessity of keeping up her big military program. There is no better way of knowing what her civilization thinks of us, and what its conception of our civilization, its institutions and aims, is than by what that civilization is doing internationally. And what it is so doing is expressed in arms. It seems to act from a belief that our civilization has traduced it. All the paradoxes of Japanese character are reproduced in Japan's world position. Nothing could justify her in her course so much as a repudiation altogether of Western civilization to allow her to fulfill what she conceives to be her manifest destiny. Then we would be at the poles apart. And this is the logical outcome of her policy since 1905.

Although Japan has no friends among nations, she has partners. And there is one great fact about her international position: she manipulates Europe on our western frontier. China attracted Europe to the Indies, to East Asia. But Japan made it back up her own power in the Pacific area. In 1905, Japan determined not to let us have Europe for our historic doctrine of equality and right in East Asia and on our west. She created the Manchurian allies to prevent that. We preferred Open Door Europe in China. She gave us Japan and the principles of Prussia in China and in the Pacific. Whether we are entitled to the domination of the Pacific or desire it is no longer the question. The Pacific is in the possession of the Manchurian allies in the person of Japan.

Besides the United States, Japan has other nations that still fear her; and in further evidence that since the July 4, 1910, predatory pact to exclude the United States and Open Door influences guarding Chinese integrity and sovereignty, she manipulates Europe on our western frontier, Japan, on July 7, 1916, announced a new convention with Russia which the Foreign Office at Tokio summarized for publication thus:

"First — Japan will not participate in any political arrangement or combination against Russia, which assumes the same obligations.

"Second — In case one country's Far Eastern territorial rights and special interests recognized by the other are menaced, both Japan and Russia will confer on methods to be taken with a view to mutual support and coöperation in order to protect and defend these rights and interests."

"These rights and interests" repeatedly described

by Japan and Russia, as I have shown, are *special* rights and interests, not *equal* rights and *common* interests as related by Japan and the United States, for instance, in the Root-Takahira agreement, and all of them belonging to the one are "recognized by the other" country. A most illuminating comparison of this with the former pact and its preceding entente, in the light of present history, is left to the reader.

This second pact was not signed on July 4. With no diplomacy, and no ships, Uncle Sam was by this time nearly out of sight in East Asia and the Pacific. It was signed on July 3. Like the Root-Takahira convention, it was a fear agreement. The *Westminster Gazette* of London rather inadvertently let the cat out of the bag when it said of the new pact: "Russia is no longer pursuing ambitions in the Far East." It meant that Japan's ambitions were enough to take Russia's breath away, that equality of "special rights", or "fifty-fifty" with Japan, was good enough, and Russia could confidently leave things in Japan's hands. And as Japan was going strong, it was better to be in her hands than to get in her way.

The text of this convention was withheld from publication, and we were left to find out its most important stipulations "somewhere in" future time and event, probably when it was too late. But enough became known at the time of announcement to show that the convention was another capitulation by Russia to the importunities and menace of Japan, not only to the extent of pledges of support, but of material interests. Petrograd let it be known that in a supplementary arrangement, Russia surrendered to Japan the railway connecting Japan's South Manchurian railway system with the Sungari River, and recognized Japanese right

on the Sungari as far down as Petuna in Mongolia, a city wherein, since her war with Japan, Russia had been seeking a barrier to Japanese expansion.

Russia's delicate balance in East Asia, represented in these doings between herself and Japan, was unmistakably disclosed by her Minister of Foreign Affairs, Sergius Sazonoff, who was thus quoted by the Petrograd *Bourse Gazette:* "The present [World] war," said he, "opens up a series of problems for Russia, the solution of which necessitates our confining our attention to the West [Europe] for many years. Relying on our solidarity with Japan as regards Far Eastern questions, we can devote all our energies to the solution of these problems with the assurance that no power will take unfair advantage of China to carry out its ambitions."

Certainly not! Japan had only done that steadily since the World War set in, beginning immediately upon the occupation of Kiaochou and German Shantung, ordering China to extend Japan's expiring lease of Liaotung in Manchuria, and the railway there, to ninety-nine years, and enforcing the bulk of the demands of January-May, 1915, already described. But the real anxiety of Russia was not for China's welfare; it related to unfair advantage being taken of Russia in the carrying out of ambitions in East Asia. When comparison is made with the comments of the other members of the predatory pact, it will be seen even more glaringly than the reader has already observed, how complete is the distrust in this comment by Sazonoff, by omission of every syllable that might express even the least trust of Japan.

But the fullest explanation of the new charter of Japan's loosed pack in East Asia and the Pacific was

given by Japan's Premier, Count Okuma, and printed on July 8, in the *New York Times*. It said:

"The purposes of the Russo-Japanese convention are an extension of the Anglo-Japanese Alliance. It aims to preserve Far Eastern peace. Japan cannot bear China's long political disturbances, upsetting Japanese commercial interests in China, whose commercial development brings the most benefit to Japan on account of geographical contiguity.

"Japan welcomes American money and investments and will steadfastly maintain the open door policy in China. There is a full understanding with Great Britain, who welcomes the new convention indorsing the Anglo-Japanese Alliance.

"The reason Japan does not want to take the full burden of Far Eastern peace alone is that Japan is afraid of being misunderstood by other powers, especially China. Japan welcomes any power's activity to maintain Far Eastern peace and commercial development.

"Japan has no ambition for Chinese territory. The territorial ambition of the old timers is a dream. Japan annexed Korea and leased the Manchurian Railway zones, as Japan's existence was menaced. . . . I am sure the powers understand Japan's attitude toward China, seeing that Japan welcomes any powers' activity for Chinese peace. Japan is unable to steal China's territory when the former is openly coöperating with other powers.

"Tell Americans we heartily welcome their commercial and industrial activity in China. America has enormous capital, which, if commercially and industrially invested in China, will further Japan's trade with China."

Exactly. The purposes of the convention are extension of the Anglo-Japanese alliance, to preserve Japo-Russo-Anglo-Franco East Asiatic peace. And thereby "bring the most benefit to Japan", especially at a time when lack of European capital for development of China, and "disturbances in China" caused by fear and resentment of Japan and Japan's acts, and the struggle for light and life, "upsets Japanese commercial interests."

American capital, gelded and shorn of all trade-carrying rights and plunderable by the predatory pack, the moment it is invested, shorn of government protection and diplomatic guidance and care, and the "commercial and industrial activity in China", of Americans, is "welcome", because "America has enormous capital which, if commercially and industrially invested in China will further Japan's trade with China." And with all the Pacific for that matter, especially that trade between America and China. This is only Baron Shibusawa's proposal that in the future of the Pacific we take the bonds and give Japan the stock. The Honorable Hashimura Togo's knowledge of America has undoubtedly been recently disseminated in Japan, possibly carried home by Baron Shibusawa himself. Nothing seems to be lacking in light upon Japan's reasoning and view of things, except private official and authoritative Petrograd, London, and Paris views as to the ability of Japan to "steal China's territory" singly or for them all, "when the former [Japan] is openly coöperating with the other powers [that is, Russia, Britain, and France — the Manchurian Allies]", and whether under present conditions they prefer Japan should do it. It would contribute to reviving the gaiety of nations, if known.

With such a reinforced bond as this pact, among the predatory pack of Manchurian allies, Japan's leaders had lost their erstwhile resentment respecting American "dollar diplomacy" exercised through capital and physical interests in China. Eleven years after Komura first started Japan on the pursuit of an alliance with Russia, we see the old veteran pilot-statesman, Okuma, with the second compact between his knees, resting on his oars as he talks to the American correspondent about the ship of state. When he had finished, British unction felicitated and regaled the pack. The *London Daily Chronicle* said: "This further step toward the definition of the relations of the powers in the quarter of the world which is always more or less debatable cannot but be acceptable to Great Britain, whose special interests in the Far East, it is being universally recognized, do not conflict with those of any of our allies and are indeed strengthened by the agreement among our friends." That has the smug, grandiose sound of Secretary Knox's announcement of the completion of his diplomatic plan, toward which the action of the American Government had been directed, in Manchuria, a long time ago. So also the following from the London *Morning Post:* "This drawing together of our two allies is an event that must be as gratifying to British sentiments as it is wholly consonant with British interests."

Friends all. Four minds with but a single thought, four hearts that beat as one. Which reminds us that it has been hitherto inconceivable in political circles as well as in scientific and literary, how four civilized nations having less practical interests in common, more unlike racially, temperamentally, and in traditions, than the Saxon, the Japanese, the Slav, and the Gaul,

could be assembled together in compact, a consummation of which a high and brilliant British officer said in 1903, when the affiliation began: "The representatives of the two great Western cultures have joined with the two nations of savages." That, no doubt, has been forgotten both by the Briton who said it and the Frenchman who agreed to it.

But perhaps only the *London Times*, still the foremost exponent of authoritative British opinion, though no longer "The Thunderer" of British thought, most clearly defined the new pact and made it finally most certain that its signatories would never lead either China or the United States into misunderstanding the whole of them, or any one of them. It said: "The cardinal merit of the agreement is that it constitutes a fresh guarantee against the insidious efforts to sow dissension between the signatories." And contrary to what Russia herself always has said, and many Britons as well, namely, that it was American diplomacy in East Asia that accomplished this union of Japan and Russia, the *Times* went afield, as natural under the circumstances, to attribute the affiliation to German diplomacy in Europe, in the words: "This new agreement is an illustration of how short-sighted German diplomacy has been. In the Far East as in the West it has brought together those whom it particularly sought to set at enmity."

Our place in international chancelleries of state was no longer worth consideration. What is fame!

Nations that form compacts, as well as carve frontiers for themselves out of China and other Pacific lands, need to make many explanations, lest they be misunderstood. The two countries of the world whose reposeful confidence and trust is worth while most

profitably to-day, the two peoples whom it is most economic not to be misunderstood by, are the Republic of China and the Republic of the United States. They both have about the same kind of diplomatic establishments and plunderable wealth. The principal difference is that China's wealth is mostly raw wealth, that of the United States is largely twenty-four carats fine and garnered by the roadside. Japan is just between these two ripe, juicy plum puddings, and as for her several too unctuous allied eulogists, her policy of making the utmost from their absence from East Asia shows that she trusts none of them.

The Japanese Government, following the achievement of this pact, was visibly elated by a great self-satisfaction and self-confidence. After the German drives that beat back the Russian armies in Europe, Russia was dependent upon Japan for re-armament. Then came a breakdown of her munition connections in the United States and the congestion and suspension of traffic across America and the Pacific of munitions from the Atlantic states. Russia was more dependent upon Japan than ever. It was at this moment that the new pact was realized by Japan, and consequently the seven million dollars in munitions, reported as part of the Japanese amount against Russia's credit, to cancel which Russia consented to the lopping off of her Manchurian railway and the admission of Japan to the middle Sungari Valley and to northeastern Mongolia, only hinted at the extent to which Russia in East Asia was at the mercy of Japan.

And both governments, sitting over the affairs of East Asia and the Pacific, "drank wine and talked tea, or drank tea and talked wine." While Minister of Foreign Affairs Sazonoff in Petrograd, July 7, talked

of "the assurance that no power will take unfair advantage of China to carry out its ambitions", Premier Count Okuma in Tokio further explained the compact as one in which Japan entered because she did "not want to take the full burden of Far Eastern peace alone" and was "afraid of being misunderstood by other powers, especially China."

Aside "other powers", and a word about Premier Okuma's fear of China's misunderstanding Japan.

The new Japanese-Russian pact was signed on July 3. On August 13, Japanese troops were at Chang-chia-tun, head of navigation on the Liao River, where the latter comes out of Mongolia into Manchuria, eighty miles north of the head of China's own railway at Hsin-min-tun (near the line of the proposed Kinchou-Aigun Railway, the concession for which was given to American financiers), and blocking the Chinese highway to Petuna on the Sungari, where Japan now had a Russia-Mongolia outpost by the secret terms of her new pact. And here these Japanese troops came into conflict with Chinese troops with a result of fifty Chinese and eighteen Japanese killed and wounded, all several hundred miles from the nearest Japanese frontier, Korea, and more than thirty miles from the Japanese-leased Manchurian railway. Thereupon Japan directed a military mobilization near the scene, and on September 3, just two months after the signature of the new compact with Russia, the Chinese Foreign Office let it be known that Baron Gonsuke Hayashi, Japanese Minister in Peking, had presented to China certain Japanese demands and representations, including:

"First — Punishment of the officers in charge of the Chinese troops.

"Second — The restriction of Chinese troops in their relations toward Japanese in South Manchuria and Inner Mongolia.

"Third — Indemnification of the families of the Japanese killed.

"Fourth — The granting to Japan of police rights in Inner Mongolia, and employment of Japanese police advisers in South Manchuria."

Representations that were not given out enabled the Chinese Foreign Office to say that Chinese authority in Inner Mongolia would be eliminated if the secret and known demands were acceded to; that Japan demanded: formal apology by the Chinese Governor at Mukden to the Japanese authorities there and at Dairen; the extension to Inner Mongolia of rights conceded to Japan in Manchuria in response to her ultimatum to China of May, 1915, including the recognition of "special interests" for Japan in Inner Mongolia, the right to have military monitors with China's troops there, and in Manchuria, and in the Chinese military schools. In other words, Japan returned to her suspended demands of January-May, 1915, which in May, 1915, she warned China she would resume.

The Chinese are unadvanced in many ways, but especially in those ways which spell parts of contemporary Europe in the latter's savagery. And by the standards of those who do the spelling, and of Japan which imitates them, she is immensely stupid. But Premier Okuma was not ignorant enough to believe that there was any chance whatever for the Chinese to misunderstand Japan. And Minister Sazonoff at Petrograd cannot be held to consider Russia as still taking her wine and her tea from the nursery bottle.

Another thing. Okuma, while resting on his oars

and eyeing the American correspondent, said: "We heartily welcome their [Americans'] commercial and industrial activity in China." So! By Japan's leave. And after about one hundred years of free trade intercourse with and activity in China, before Japan had any civilized relations of any kind with China!

Okuma's words are the measure of Wilson's and Bryan's acts of March 18, 1913, and after.

Okuma also said: "Japan welcomes any power's activity to maintain Far Eastern peace and commercial development." Which invitation he well knew the American Government would not accept, for he instantly followed it with this statement: "When the Allies [Manchurian and European] advised Yuan [China's ambitious president] to postpone the monarchy, Japan twice invited American participation. President Wilson indorsed the Allies' advice in principle, but refused participation, saying America did not want to interfere in Chinese internal affairs." Our methods of peace and commercial development were not Japan's.

And he knew American capital would not accept, for President Wilson had again barred it out. Under the oppression which Japan was exerting against China, the latter, during the time the new pact was being negotiated and just before it was signed, was trying to get thirty million dollars in the United States. The President raised again the 1912 loan question, when the State Department advised the bankers of the former American group, which in 1908–1912 had made such a fight for the preservation of American trade and intercourse across the Pacific, and the independence of China, that it would look with favor upon their participation in a loan to China, provided such a loan were

not made contingent upon concessions. As a matter of fact, China was again trying to get the bankers to pull her chestnuts out of the fire; the administration was trying to get the bankers to pull its and the China missionaries' and educators', and traders' and others' chestnuts out of the fire. The administration wanted the bankers to make the loan as a matter of patriotism, as the State Department intimated. The situation was apparent to everybody, unless to President Wilson and the State Department, as was pointed out by the bankers who, said they, in the first instance had been invited by the Government to participate in loans to China. President Wilson then had repudiated that invitation, and the first essential was the Government's revision of its act and the furnishing of some sort of governmental sanction, either a new or the old, something that would make the bonds worth the public buying. Their security must be sound — specific Chinese revenues and resources, and aid of the American Government in seeing that the conditions of the loan would be fulfilled. The administration's view was still purely academic, and it was impossible that Premier Okuma could have been unaware of the situation of the American group which, in 1912, had been forced by the threat of having President Wilson and his administration in power, to contract with its European associates for European protection for the interests it had already acquired in China, and to give up future opportunities until a new administration more reasonable could come into power in Washington. He knew that American financiers could not loan money to China.

While Okuma was talking, Japan had very important issues at stake. And it was not beyond the scope of

his sagacity to appreciate that the diversion of public attention would not do them any harm. Japan's complete possession of the assets reported just acquired from Russia in Manchuria depended upon China's consent to the deal. The two pact powers could not finally transfer any part of China's railways without her participation. Japan still had to deal with China. But Japan had no apprehensions. Okuma never hesitated. He knew China was helpless. He knew America would not come in, that our financiers and traders had once done so at great expense and been left to hold the bag, and that they had no mind to undertake, open-eyed and unsecured, the uncertainties of a contest with the Manchurian allies, of which Japan was indeed high cockalorum. Premier Okuma's invitation strongly resembled Japan's Fourth of July amenities. Had it come from Baron Shibusawa, it would have been expressed in the terms of an offer of Chinese bonds "made in Japan", and negotiable only through Japan.

It is possible that the passing generation of Japanese, so distinguished for its great men, has furnished to the world some of its cleverest and greatest demagogues. But even Okuma appeared reluctant to face the consequences of his work in accomplishing the new pact with Russia which had been required of him. When the renewal of pressure upon China set in, as a result of Russia's reiteration of her part in the "predatory pact", Okuma resigned. Before whose coming? Before the coming of ex-Minister of War General Count Terauchi, under whom Korea was annexed and military and police authority was extended in Manchuria. Motono, who in the first instance won Russia over and made possible the Japanese-Russian pact that

eliminated the United States from the vital affairs of China, became Minister of Foreign Affairs. His life as a statesman and his diplomatic and world education had been acquired in Europe. He was the latest, most European and modern, and most dynamic Japanese diplomatic actor in the European-Asiatic coalition in the Pacific. Goto, who had aided him, and had built up Japan's communications, development, and administration on the continent, became Minister of the Interior. General Oshima, ex-Governor of Liaotung and Port Arthur, who had been Terauchi's lieutenant in extending military and political control in Manchuria, became Minister of War, while Terauchi's *aide*, General Hasagawa, succeeded his superior as Governor-General of Korea. Terauchi's opponents charged that his supporters were forming a war government to correct the "do-nothing policy" (*sic*) of Okuma, while Terauchi announced his program to be the "strengthening of the nation's resources."

The importance of having a Pacific and foreign policy in the Western Hemisphere, and of having a government in the United States equal to its task in foreign affairs, was immediately illustrated by these events, in a dramatic way. When the Emperor of Japan designated Terauchi to form a Cabinet at Tokio, the owners of the Oceanic Steamship Company, our only remaining trans-Pacific steamer line, decided to sell out. Within a month liquidation and sale were authorized, and a price was fixed on the Company's assets which were already under consideration by foreign interests. Our situation in the Pacific, brought about by a course of evident ineptitude during the progress in East Asia of Japanese politics, militarism, and "strengthening of the nation's resources", was

that of virtually having sacrificed our last hold on our hard-won Pacific steam shipping — the greatest sinew of foreign commerce and the greatest auxiliary of defense. We had no remnant of trans-Pacific shipping service left.

CHAPTER XIX

Back to the Guns

It was only a matter of time until Europe would call our weak diplomatic bluff in East Asia, and terminate our practice of taking an equal share of trade in China without doing a corresponding share of the work involved in its protection and extension. Foreseeing this, as I have shown, the American Government from 1908 to 1912 took measures to set America upon a proper footing in all respects as a responsible power with the other nations involved, and one capable of discharging its duties abroad. The administration of Wilson had to purge itself and learn this all over again, but after four years, or in August, 1916, in effect it had to be told by the American financiers that the world was practical-minded and that foreign trade interests were dependent on sense and substance and not on theory and nonsense. Premier Okuma's sarcasms were lost upon it, and so were Japan's intensely practical depredations upon American rights, property, and other interests.

But on the other hand it was hardly a question of time until Japan would make the most of our delinquency, for her own advantage, and against ourselves and China, to say nothing of other nations. When she put her hand to the plough she brought about a show-

down between the nations and civilizations of opposing policies and principles in East Asia and the Pacific. That was the situation at the close of 1916. With its prospects at hand, is America going to continue chasing illusions in foreign affairs and forming grandiose plans in ignorance of essential facts, and be tamely turned under in the Pacific? Is America going to submit to Japan, Russia, and the outside world of distant Europe, which is now expressed in terms of a military and capitalistic Asiatic and Pacific confederation, led by Japan, to consent to their sitting in council upon the future of China and the Pacific area and have no place there or only such a one as is thrown to it? Will America submit to Japan's aggrandizing leadership and her marshaling the world in shaping without American participation that which is the most vital to it of all possible issues?

Slated with China to pay the war debts of Europe, either by present resources or future commerce, trade, industry, and finance, or all together, as China after the Portsmouth Treaty was slated to pay the war debts of Japan and Russia, is America to play the rôle of the tame scapegoat of the Pacific? Is it going to remain kicked out of the council room of Asiatic and Pacific affairs, as well as out of Pacific trade and intercourse, and henceforth pay toll to a gatekeeper who has set himself up on its own and the world's ancient free highway to China? With its principles and policies in the Pacific a direct challenge to Japan, and with Europe behind Japan looming up across the Pacific, is it going to back down, and hunt its hiding place which never yet it has seen?

Is it going to be satisfied to see China's self-wrought future now rising in her hopes, snatched from her by a

neighbor, because that neighbor was first to find the iron-clad and the machine gun, and was the one, in the household of China's own civilization and orbit, to rush ruthlessly upon her? Is it desirous of continuing to deserve the confidence and emulation of Pacific nations, as Japan once thought it deserved, and China still so thinks? Does it cherish the honor of being "the only power able to look China in the face without the blush of shame"? Or is it preparing through default, or mistaken policy, or criminal political cussedness, to abandon its historical and political international position in China, East Asia, and the Pacific? Is it letting slip the great appointment, turning away its head, while the spirit of John Hay is "but a little way" above it, declaring with Okuma that China is unfit and unworthy, that she does not deserve the consideration framed by America in the treaties, and that America can no longer and to its lasting good defend those treaties and the principles on which they were made and remade? Is it then going to capitulate to international plunder, like Russia, and divide China's patrimony with Japan and the predatory pack, indirectly, by sanctioning and financing Japan's aggressions?

Will America, from administration to administration, tolerate the policy of drift exemplified in Root's and Wilson's management of State Department affairs during the vital formative period of the great Pacific problem? Will it continue to permit its political parties to play battledore and shuttlecock with its greatest office, the State Department, and with foreign affairs, as its politicians in Congress and out do in words, with foreign peoples and systems? Will it be satisfied to see itself pushed staggering, like a drunken

man, along precipices which nations have raised above their worst debaucheries? Is it going to continue lost, diplomatically and internationally, tracking its way aimlessly and fruitlessly through the wide wastes between Occidental and Oriental diplomacy, finance, and economics, for an avenue of escape from world responsibilities, as was Russia? Has it been made the present Siberian convict by Japan, in the place of Russia? Is it the big, docile, half-starved, outdoor animal that Russia was before her war with Japan and the World War?

So far as practically accessible wealth goes, America, with China, is the real and potential treasury of the world, and the only source of pay to the war-starved Entente or Manchurian allies, as well as to the central powers. It decamped in East Asia at the first turn of the predatory pack, frightened at the lingering blood-marks in Manchuria and the Pacific, and the coalition of the Manchurian allies under Japan — no doubt of that. The voyage of discovery of its State Department, begun 1908–1909, led it to Japan and her program for the remaking of East Asia and the Pacific. What protection has it against the execution by Japan of her program through a long world war alone, or its after effects? With the British colonies in the Pacific handcuffed or crippled, and with Latin-America unadvanced and undefended, how is it to withstand alone the insatiable hunger and political ambition of Japan, and of Japan backed by Europe? What anchor has it to windward, among Japan's allies, or others, that can help it to forestall a final Japanese victory in the shape of political and then trade and cultural elimination first of itself and then of other Western powers from East Asia, and the expansion of

Asiatics eastward across the Pacific, as West Asians expanded westward around the world, but suddenly, in a thousandth of the time, with modern dispatch? How can it prevent the hungry nations of Europe inordinately helping themselves under Japan's ægis at China's and America's expense, before Japan commands China, not to say the Pacific, for herself? Europe and Japan know America's weak spot — the Pacific; when and how will they again strike America there? When is it fully to answer to the turn of Japan which took place in Tokio when Komura arrived back from Portsmouth in 1905, and there came the parting of the ways? Is America ready for the limitation of its institutions, its influence, and its destiny? Has the time come for the Great Republic to turn back in its westward march, scared from its frontiers, laughed out of the Pacific?

When the determination of the immediate question of the future of Europe comes to conference, the fate of America's interests and the future of the United States in the Pacific will be determined by Japan and the winners in the World War. Courland, Flanders, the Dardanelles, Serbia, Bukowina, Verdun, Mesopotamia, the North Sea, and what happened after, cast their spell over the central powers in Europe, and the Manchurian allies of the Pacific area. But they all will come back to East Asia with their attention undivided, and there will be enough of them with Japan to annul American influence in the Pacific, and be upon the American back in all its questions.

At the close of the World War, Japan will be the second most substantially benefited power in the world. She will have profited, next to the United States, by the monopoly of commerce with China and by the

war trade, and next to none in the fruits of aggression, while the demonstrated success of Prussian efficiency, regardless of the final outcome in Europe, will have given a new and greater popular and imperial justification and defense to Japanese imperialistic statesmanship, policies, and plans. It is clear that the only hope for American honor, international justice, protection of commerce and trade, and other American interests in East Asia in future will be either the triumph of an European-American treaty coalition over Japanese-European Prussianism, or a triumph of the military forces of the United States over those of Japan, and a mastery in Washington in the management of foreign affairs.

In 1912, when Wilson kept the United States out of the way of the "steam-roller" of the Manchurian allies, as it galloped around the earth, he also cut essential national foundations away. Had we stayed in the Six-Power Loan, we would have had a most powerful basis for "mediation" in the anticipated peace conference that is to settle in the Pacific our most important affairs. Were we active, physical participants in the physical and real affairs of the world, especially in the Pacific, about which Okuma justly taunts us, its affairs would not be in danger of being settled unknown to us, as were those of China's sovereignty and the Open Door in Manchuria. We would be in no danger of having the lines of our future taken from our control, and our fate in the Pacific laid down in secret agreements, supplementary clauses, ententes, and what not, between the upper and the nether millstones of which we would be ground during fretful years of ignorant cross-purposes and blind struggles in foreign affairs. Unless the United States can manage to retain what

equality of right it has in China and increase its economic foundations there by loans, diplomacy, and the moral support that comes of adequate naval and other military forces, so as to be prepared to render aid to restore the balance in favor of the capitalistic powers, she will have to go to war with Japan to break that country's designs and present works.

Our responsibility in the Pacific area is something we have been shunning, scuttling; increasing the burden of our final and inevitable task. For unless we destroy our history in the Pacific area, the retrenchment we have made must have its resultant flux. The question whether we must tolerate a Prussianization of East Asia and the Pacific is fairly clear. The Monroe Doctrine applies to the destiny of the Pacific half of the Western Hemisphere, whose interests are bound up in the future of the Pacific area. And the world's connections across the Pacific, with Western civilization's communications westward with Asia, have their tie in the historic rights and treaties throughout East Asia by which we are bound. There is no way to break that tie unless we Prussianize, or Japanize. American relations and enterprise in East Asia have confuted all evil prophets, as I have shown. What has been done by the United States in the interest of human rights in the Pacific area, though not defined thus in words, was a sincere and great moral effort toward the end of safeguarding mankind in the Pacific area from evils such as have afflicted mankind in the Atlantic area. And events in the Atlantic area have eminently justified those prophetic fears of our forefathers, together with the promising effort hitherto made by our statesmen, teachers, financiers, and traders. We are in no respect called upon to deny sovereignty and

independence to any treaty power in the Pacific, let alone the master civilization of China. China is only another name for treaties and rights such as are the words Belgium, and Serbia, and Montenegro.

It is obvious that our only line of escape from worse sacrifices, humiliations, and dishonors, is to rout Japan from the position of her monstrous assumptions as the monitor of China and the nations in East Asia. If, after ignoring the loss of our rights in China, the present American policy of drifting should continue, Japan's great reason for war against us (these essentials of international relations are formulated long in advance) would not be China. It would be that of the imposition of Japanese and Asiatic colonization upon the shores of the Pacific generally. Emigration, being the basis of modern ocean commerce and of the great merchant marine fleets and navies of Europe, is the basis of future commerce and sea power on the Pacific Ocean. No great steamship development on the Pacific comparable to that in the Atlantic is attainable between Japan and the countries of the Pacific, for Japan, without Japanese emigration. And an armed victory over the United States, if obtained without too great a sacrifice, would give to Japan such a prestige in the Pacific that few countries would be able to resist her demands for immigrant admission, whatever we ourselves might do.

But to America, the Asiatic immigration issue in the United States is not the Pacific war issue. That is a question which both sides, in fact, recognize cannot be settled by war, at least in respect to the United States. California cannot settle the Pacific question or have any appreciable effect upon it. Scuttling and the assertion of a sacrifice of our principles respecting

treaties, rights, and possessions, and of our ships, for the trade across the Pacific with Japan, will not settle it. Whether the United States keeps out of East Asia or not, Japan and the United States will not get along. The only way for the United States to get along is to face Japan as forcibly, if not as defiantly, as Japan faces them, ever present in all the Pacific area's important affairs, and ever alert. The United States cannot keep on writing treaties in the Pacific and seeing them broken. They would be a coolie power. Their own safety, as well as honor and other interests, depend upon the reëstablishment of respect for treaties in East Asia, and the inviolability of long-established and prior rights. The great question between Japan and the United States is not the Japanese-American treaty; it is that of half a hundred treaties and agreements in China and East Asia.

After our experience in the making of the Pacific, there is one outstanding important finding: We are not understood by the Japanese as we understand ourselves, and there is no possibility of an amicable understanding through the methods employed in the past. We overestimated our influence and the importance of our civilization and institutions in the opening of Japan, just as we overplayed our rôle with her in China. Most of our acts in the Pacific as well as East Asia are challenged by Japan, who has more than surpassed us in the use of force, which she has used for aggression, has exceeded all powers, wherever she has come into conflict with any people, and has assumed the position of arbiter.

Perhaps none have done so much toward combating prejudice and blame which has been accumulating in the world against Japan as have Americans. Criticism

from them, therefore, is not premature when it is said that on the other hand the Japanese, both the people and the rulers, have been misled by the free and unqualified appreciation that accompanied Japan's first impression made upon America about 1876 — a wholeheartedness probably largely the reaction from a century of prejudice against and distrust of Europe. The American people always have held China in esteem, and as time multiplied her distractions, in sympathy. These it also turned to Japan, one of its nearest western neighbors. But Japan is now faced with what is perfectly plain to her, the equivalent reaction, for which she is sagaciously prepared. It is everywhere known that the Japanese people have been educated to believe in imminent war with the United States. It has been explained by Japan's American apologists that troops embarked from the Inland Sea in 1914 to take Germany's Shantung colony, Kiaochou, understood they were embarking against the United States.

Japan has comprehended the West only too well, in most of its ways. Her political second sight and her prophetic vision are more acute than ours. But there is one thing in connection with her relations with America she did not get hold of, she did not grasp — the handle of Anglo-Saxon right and wrong, a sense that is the chief heritage of the great mass of the people inhabiting the American continent. But she has deliberately determined that equation to be negligible, as is shown by the policy of empire upon which she has embarked since Komura's return from Portsmouth; and the fact that this is the greatest single piece of evidence of the conflict to be waged across the Pacific, has given the world for ten years the engrossing speculation whether Japan is "going to get away with it."

Japan is jesuitical, leveling everything to attain progress toward her far-flung ultimate end. The world is pretty well assured now that the moral sense of Japan is totally different from that of the Anglo-Saxon countries, or that it is still a fluid and indefinite body. That accounts for Japan out-distancing us in the political game in the Pacific, to be sparing of our vanity. It took arms to do it, and arms is what it takes to oppose it. Japan's policies are such, both political, — in her foreign relations and domestic, — in her ethical teachings and education of her people to their peculiar blind patriotic duties to the sovereign, that we could not but be obliged to inculcate among coming and present Americans the principle of war with Japan.

Lest I do an injustice to the people of Japan, I take occasion to make clear those of whom I speak. There is little less conspiracy in determining the national affairs in Japan than there was only a few decades ago, when royalty was a shell game in which one now saw the "emperor", and now he didn't. Imperial power still is a superstition, and the people generally are not in a position to know, and certainly seldom understand. Their only connection with it is as economic and military units and as estimable human beings, faultless in their hospitality and manners toward strangers. I speak of Nippon and the Japanese who conduct her international affairs or contribute to the conduct of them. Japan has changed our relation to her, and we are obliged to act correspondingly. Under the expansion and aggrandizing policy of her empire builders, Japan is a world ogre, as shown throughout every civilized land east and west. She is the last country on the globe, save perhaps Prussia,

to seek empire by the subjugation of not only other, but great civilized States, and the exploitation of their resources for her individual benefit to the detriment and exclusion of others who are her predecessors, or associates, and even allies. The efforts of her leaders to deny these facts are a laughing stock in the world's press, and she is not only distrusted in all the great state chancelleries of the world but, in the State Department at Washington, which has made a four years' struggle under a great visionary impulse and illusion to see Japan's side, confidence in 1916 was more than extinct. America needed a great modern Townsend Harris to deal with Japan.

After the time of Komura's arrival in Tokio from Portsmouth, in fact from the time of Ito's death, there began that hostility between Japan and the United States which leads to conflict. Those events quickly introduced the great conflict as prophesied, and the full complications for us, of Japan and Europe in the Pacific. Since then four important things have existed. The people generally, from the lowest to the highest, of both nations, have been mentally prepared for war. The peoples of neither country have been mentally, or intellectually, prepared for any ultimate solution otherwise of their problem. Militarily, Japan is splendidly prepared for a solution by war at any time, and — The United States are unprepared in every direction, except apprehensively, for a solution by war.

With Ito's death, that demise of friendship between Japanese and Americans set in which such efforts have been made, by peace advocates and exchange professors, and other devices, to stay. If there is any event from which the final break with Japan may be dated, it might be that when Secretary Bryan said to Am-

bassador Chinda: "There is no last word between friends." It was the sign that we had nothing more in us for Japan but talk, and she could begin with the whip, at her leisure. That might be said to have cut the Gordian knot that bound the two civilizations across the Pacific in friendship by the tie of humanity. Japan changed her ambassadors at Washington, made her new pact with Russia, and her renewed demands upon China. We were confronted in the Pacific with the "white man's burden" — the burden of our democracy, our treaties, and of the Asiatic taskmaster, until we could show Japan that she wielded the whip at her peril.

All evidences show that the new Japanese-Russian pact is the same old political conspiracy of Japan, but with the added complication of Russian divided interests due to the World War, and that after the World War which gave the pact its *raison d'être* is over, some great issue like the close control and exploitation of China and the Pacific with the extinction of all American political, and if possible, cultural influence, the appropriation of China's natural resources for exhaustive exploitation, and monopolizing of China's industrial development, close control of finance and government in China, and levying upon American intercourse and trade in the Pacific, with the pressure of Asiatic emigration turned to the Western Hemisphere, must exist to maintain it. Otherwise it will dissolve. And that is what Japan is preparing against. She is obliged to retain the leadership. If she does not, she will lose what she has sprung upon since August 1, 1914. Her hopes in this are partly justified by the declarations of her allies. Russia, in the words of Sazonoff, when the pact was a *fait accompli*, relied upon her "solidarity

with Japan." Her interests were in Japan's hands — she need not worry. Also: "As interpreted in Great Britain and France," said the Osaka *Asahi,* "the new compact was devised by Russia and Japan to protect their immense interests in China." And threw this sop to their allies, namely: "It is a strong reply to repeated German overtures for separate peace."

The future of the Manchurian alliance of Europe and Asia, on the continent of Asia and in the Pacific, as mirrored in the latest pact to which the *Asahi* referred, was further expressed by the *London Daily Chronicle:* "Germany will see in the latest alliance a fresh obstacle in the way of her return to the Far East." We were shut out before Japan — backed by Great Britain, Russia, and France — excluded Germany. Alliances are transitory, but they last long enough to attain the objects that compel them in the beginning, and long enough is too long for the interests which they overcome.

The predatory alliance cemented by the Japanese-Russian pacts then, when the World War motives governing the European allies in it are gone, will be the pact of unshackled and no longer distracted Europe, and of Japanese Asia, in the Pacific, upon our right flank. With its written determination, fixed as it will be, solely upon these enterprises by which to recoup after the World War, the life and efficiency of that confederation, now measured in the world by the gains reclaimed from other packs, will be measured in the Pacific by gains expressed from others' rights and possessions — the potentially and actually rich, and defensively helpless Chinese and Americans.

Having been shown in the Atlantic and the Pacific, in the Antarctic and in the Indian oceans, and in all

the great continents, that war still exists in the world, Americans essentially must think upon war in the Pacific. When they consider the understanding on these great and vital issues to be desired with a great alien civilization whose guise Japan presumes to wear, and that in her they face purposes and determinations opposing their own, it is clear that the force which Russia looked for from us in her struggle against Japan after the Russian-Japanese War, and that which also England and others have looked for in vain, we are now impelled to manifest.

Many have guessed at the future in the Pacific when begins the conflict of Japan and the United States over the rights and principles of international right and free international intercourse. Japan's summons to us to get out of East Asia had at last an answer in Congress from armament legislation, when the national spokesman, Mr. Sherley, when introducing the Fortifications Bill in June, 1916, said that the people of the United States "are demanding that Congress shall see to it that this country is put in a position properly to maintain its rights no matter where, when, or by whom they may be assailed." International law was a shred. There was little left to us abroad anywhere, except our poorly equipped and stocked outlying fortifications. We reached an appreciation of that fact in the increase then made in our Pacific armament. The vast area of the Pacific had attained a strategic importance greater than at any time in the world's history, armed for some great struggle. Gibraltar had been imitated during the years, in Hongkong, at Shimonoseki, Port Arthur, Vladivostok, and half a dozen other places. For us Corregidor, Olongapo and Manila Bay, Pearl Harbor and Diamond Head, had been

created, but otherwise we were back to the guns in our hands. There was little else. The fighting ground of the Pacific for the United States had shifted from China to their insular possessions and to California, and Americans were confronted with the immediate necessity of making a last stand in the open ocean.

With the World War, the alien races and civilizations in the Pacific were finally at each other; Japan, the chief determining factor, was the leader of the predatory pack, and had shown her aspirations to attain to the understanding that comes of needy strife and struggle. She had no misgivings and no fear of the sword. She had demonstrated its efficiency in internal and external disputations and conflicts.

Mutual understanding in East Asia in the past, in all important matters, has been arrived at only by war. This has been true of China and the powers, of Russia and Japan, and of Japan and Korea. Will it be true of Japan and China, Japan and Germany, Japan and the United States, and Japan and the world, are questions left only to war to answer, for war has already undertaken them.

A conclusion respecting this great subject of the Pacific is automatically shaped by self-evident circumstances set forth in the preceding pages. The essential facts which I have attempted to show with approximate completeness make clear that Japan, in addition to meeting the West in many points fairly, has used conspiracy, intimidation, and force to take from the nations generally extensive rights in East Asia. She has first broken and then destroyed finally the original concert of the Open Door for the maintenance of China's territorial and administrative integrity and sovereignty which America had laboriously built up.

She has threatened the foundations of all foreign relations in East Asia established by treaties covering more than seventy years, in order to step between the powers and other East Asian nations, and by forcible dictation control all foreign trade, material resources, and political and commercial intercourse. She has set up a position in violent moral conflict with the principles of peace and humanity that are the basis of the treaties, which strikes at America's commercial and cultural mission of one hundred and thirty years in East Asia, the spirit of its people, and of Western civilization. For her own purposes she sets adrift in the international ocean the vast Chinese branch of the human race, whose welfare and destiny are bound up with our own and that of all nations and peoples in the Pacific area, and is bringing on a conflict of the two civilizations.

The United States, by the World War, were more intimately faced with the problem of the Pacific, namely, whether or not they were to become a coolie power, perhaps outranking China and Korea, but not outranking Portugal or Mexico in foreign influence in East Asia. The terrific moral conflict existing in the two viewpoints, the impossibility of a solution on the basis of accepting the view demanded by Japan, which is that constructed by Komura on the lines of confiscation of Korean, Chinese, and foreign rights in East Asia, the Japanese Government's haste to expand and conquer at the expense of other nations, and its insensibility to international right and morality, together with its implied and expressed summons to us to get out of East Asia, seemed to need nothing more by way of definition of open warfare which those calling themselves by the name of men are obliged to answer with war.

Japan has made herself ready, and would probably accept that challenge. If we were determined not to be driven like dumb coolies to the fate of the Pacific, to dispute with every means in our power the expulsion from treaty countries in East Asia, by Japan and her predatory pack, of Western influences, and their regulation through Tokio, as I have pointed out, and would back up our determination with all our reserve force, a possibility for reckoning up the score in the Pacific by the light of understanding and mutual respect that comes from war would be presented that Japan would respect, if she did not welcome. And in this practical and logical means to an essential end, the Asiatic problem, if we were successful, would be settled for a long time.

The sword, which Providence and Wisdom commend to China, they also commend to America.

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